SOL PLAATJE LOCAL MUNICIPALITY

Annual Report 2015/2016

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CHAPTER 1 – MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

1.1 MAYOR'S FOREWORD

During the 2015/2016 financial year, the country's GDP remained under pressure with growth prospects of 1.7% for the year against a 2.5% projection that was made at the beginning of the year and in the Budget Statement of the Minister for Finance. This is a cause for concern as the opportunity to create much wanted jobs is directly threatened.

Sol Plaatje Municipality has felt the pinch, as the collection rate for the year is below the actual for the prior year, and the accrued revenue for services was marginally below the projections, especially electricity sales. It is for this reason that as we are concluding the 2012/2013 to 2016/2017 IDP, we take stock of what was planned and achieved, and use this as the basis to project capabilities for the next five years, starting in the financial year 2017/2018.

With the drought experienced countrywide, during December 2015 to February 2016, the water resource is under pressure, and because water is life, water conservation will become the order of the day and the Department of Water Affairs is expected to exercise its powers in this regard.

One of our key objectives of basic and sustainable service delivery, as well as provision of basic services infrastructure was attended to over the last four years, and bulk projects successfully executed. However, excessive electricity and water losses are threatening affordability of services and, most of all, availability and certainty. It is for this reason that a huge percentage of the capital budget is spent on water and sanitation infrastructure upgrades.

The mushrooming of informal settlements has been a matter of grave concern, and as at 30 June 2016, more than 21 informal settlements were identified; a more effective policy is thus needed to curb or rather manage the process of township establishment within the city. We had approved more than 3,500 erven in various areas in the city. Snake Park is our prestige development in conjunction with the Housing Development Agency with approximately 1,600 erven on that land parcel. The electrification programme resumed in the area already whilst water and sanitation services had been availed to the residents.

Numerous meetings are held with the community through Mayoral Imbizos and Council Meetings (Council meets the People) as well as during the IDP and Budget Processes of public participation. The Back to Basics document is serving as a pillar in keeping us accountable in our actions, and monthly reports are submitted to CoGHSTA as part of their oversight.

We will continue to drive service delivery and performance management in the organisation whilst maintaining compliance and sustaining or improving on governance related matters.

(Signed) ....

Mangaliso Matika
Executive Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.2 MUNICIPAL MANAGER'S OVERVIEW

The 2015/2016 financial year is the fourth year of the 2012/2013 to 2016/2017 IDP as approved by Council. As such, it was important to analyse progress made as at 30 June 2016 against what was planned to be achieved since the adoption of the Fourth Generation IDP. The municipality's performance is assessed based on the five key performance areas (KPAs). On this score, the municipality has further adopted a Performance Management Framework which guides setting of objectives, performance evaluation and reporting. On a quarterly basis, the Executive Mayor presents a report on Performance Reporting and State of the Finances and Budget Performance.

The municipality is classified as high capacity and reports directly to National Treasury in as far as financial management and budget performance. For the 2015/2016 financial year, National Treasury visited the municipality to assess mid-term IDP and Budget Performance and their report was presented to Council. The inputs received from National Treasury are indicating significant improvements in terms of quality and timeliness of reporting and also confirm commendable practices liquidity and sustainability.

In May 2015, the municipality's tabled budget was assessed and benchmarked by National Treasury, and the report indicated that the budget was based on sound assumptions and, as such, it was credible, relevant and funded. Monthly reporting is also done on time and we receive much praise from National Treasury, of being the first municipality in submitting returns and were consistent in doing so. However, successful implementation of budget depends on the implementation of budget related policies stringently and without bias, and this is always seen as very critical. Despite this, the number of non-paying customers is increasing and this area needs to be enhanced in the coming financial year, otherwise undesirable financial and cash flow situations may come way too early, thus impeding our envisaged plans of infrastructure maintenance to attract investment and managing tariff increases through reducing water and electricity losses.

Over the past four years, the municipality had managed to increase own contribution to capital replacement reserve fund which has been wisely been invested on key infrastructure required for service delivery (bulk) and investment attraction (roads). Whilst the conditional grant allocations were reducing as a result of the review in equitable share allocation, much was achieved in the last three years.

The flagship project of Homevale Sewer Plant Extension by 15ML a day is approaching the last phase and commissioning of this plant is imminent, and shall be in the 2016/2017 financial

year. The Extension will see the municipality being able to accommodate the required demand for current developments as well as future demand up to 2030 as per the city growth estimates.

The condition of roads and potholes are issues raised sharply by the public. It is for this reason that roads resealing project had been identified as a priority project in the 2014/2015 and 2015/2016 financial year. For 2015/2016, investment was made on the upgrade of major intersections with the CBD, from normal tarred surfaces to interlocking paving bricks designed for heavy traffic turning at these intersections. This will reduce maintenance of the intersections for a period of five to ten years. The project was successfully implemented.

As we strive for compliance, the landfill site management and upgrade also became a concern. It is for this reason that the upgrade became inevitable. The project is funded from MIG and will be complete during the 2016/2017 financial year. The upgrade involves the upgrade of the landfill site itself, the construction of roads at the landfill site as well as infrastructure for proper management of the landfill site. The project is not meant to extend the remaining useful life, but good management and dumping practices will automatically lead to the extension of useful life.

We understand the requirement to ensure access to basic services, and the importance of certainty of availability of such a service. It is for this reason that after the decision to procure new High Lift Pumps at Riverton, that the construction of a new pump house will be ideal. There were significant structural challenges at the existing plant, considering the required structure and other fittings for the pumps. This project is run concurrently with the construction of the high lift pumps, to ensure that when the pumps are ready for delivery, the pump station is completed as well. Once complete, the municipality will have two pump stations at Riverton, which will allow for the disconnection and maintenance of the existing pump station thus securing certainty and availability in this regard.

Funding for water and sanitation reticulation was held back by COGHSTA, however, projects that were earmarked for implementation during the 2015/2016 financial year had been implemented. The electrification programme was also well executed.

The municipality remained strong for the entire financial year though it experienced difficulties on the collection rate. The liquidity ratio remained strong at 4,71 times, due to the increase in current assets and decrease in current liabilities against a norm of two times. On the other hand, the cost coverage ratio reduced as a result of increasing average monthly expenditure against a decline cash and cash equivalent balances, from 2,77 times in 2015 to 1,99 times in 2016. The cost coverage ratio is quite an important measure of liquidity. Inadequate cash reserves pose a risk not only to the settlement of creditors invoices as they become due, but the ability of the municipality to pay its creditors for salaries becomes a concern. This subsequently affects the availability of uncommitted reserves for contribution to Capital Replacement Reserves for funding of capital budget.

The growing trend of outstanding debtors is very concerning. Outstanding debtors were 32,67% of billed revenue in 2016, against a collection rate of 85% set as a key performance objective of the municipality. It must be stated here that the municipality is in the process of considering the co-sourcing of a debt collection agency to reverse the situation.

Service delivery is dependent on availability of materials and productivity of human resources and capital assets. Procurement as such become central, as well as compliance with Supply Chain Management Policy of the municipality. This has been achieved thus far. There was no litigation against the municipality as a result of non-compliance with SCM, nor serious challenges and objections on awards made. The municipality has established a process for the management and resolution of the objectives and this is very efficient thus far.

Irregular expenditure is one area that does not go away with ease; we fought the battle, and finally there is light at the end of the tunnel. As much as the expenditure declared in the 2014/2015 financial statements was one of the highest since the reporting requirement to disclose this, non-compliance is mainly the cause of irregular expenditure. We are continuously improving SCM Processes and the Council takes their role of ensuring compliance within the organisation, seriously. MPAC plays a critical role in investigating the causes and proposed remedial actions necessary to avoid these instances from recurring. The municipality is targeting a clean audit, and this is possible.

Human Resources is central to service delivery, and professionalisation of local government has been discussed. It is for this reason that the need for highly professional staff in key positions has been driving the recruitment drive across the board, with competitive salaries being offered to attract and retain such in the organisation for a long time. Skills development and implementation of Affirmation Action where necessary is high on the agenda of the Local Labour Forum. However, there is still reluctance in staff in accepting opportunities without compensation, as knowledge gained puts one in an advantageous position.

Our local SMMEs are our pride in ensuring that there is economic activity in every corner of our streets. This however, needs to be streamlined in a manner where fruitful engagement and facilitation of conversation with sector specific departments takes place to ensure growth and development for prosperity. A draft investment incentive policy has been on the cards for quite some time, seeing that there is opportunity for foreign direct investment; the policy is very critical.

In closing, the municipality had piloted the mSCOA with effect from 1 July 2016. More information will be shared as the project progresses towards the compliance date of 1 July 2017.

1.3 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

The Sol Plaatje Municipality is located at the Capital City of the Northern Cape Province, Kimberley. It is where the Northern Cape Legislature is located as well as the Frances Baard District Municipality. Sol Plaatje has approximately 25% of the population of the Northern Cape, thus making it the biggest municipality in the province, and the only high capacity municipality.

The municipality provides basic services directly, and it is only in Ritchie where Eskom is contracted to distribute electricity to approximately 5 000 customers of the municipality, including businesses and farms in this area.

In the current IDP 2012 to 2017, major investments had been made to upgrade bulk infrastructure for water, sanitation and electricity. Electricity Bulk Project has been completed, and water sanitation are still underway into the next financial year.

The municipality also provides engineering services of electricity, water and sanitation and roads and storm water. Civil Engineering services are also provided internally especially with regards to construction of roads and other built environment projects, storm water and housing.

Refuse removal is also executed using internal staff and resources, where needs be, co-sourcing of fleet is opted for to ensure that the service is provided regularly in accordance with our schedules. In terms of the Census 2011 outcomes, the municipality has highest access levels for water, sanitation and electricity with refuse removal lagging behind. The municipality is planning to focus on this matter in the next IDP Cycle to resume soon.

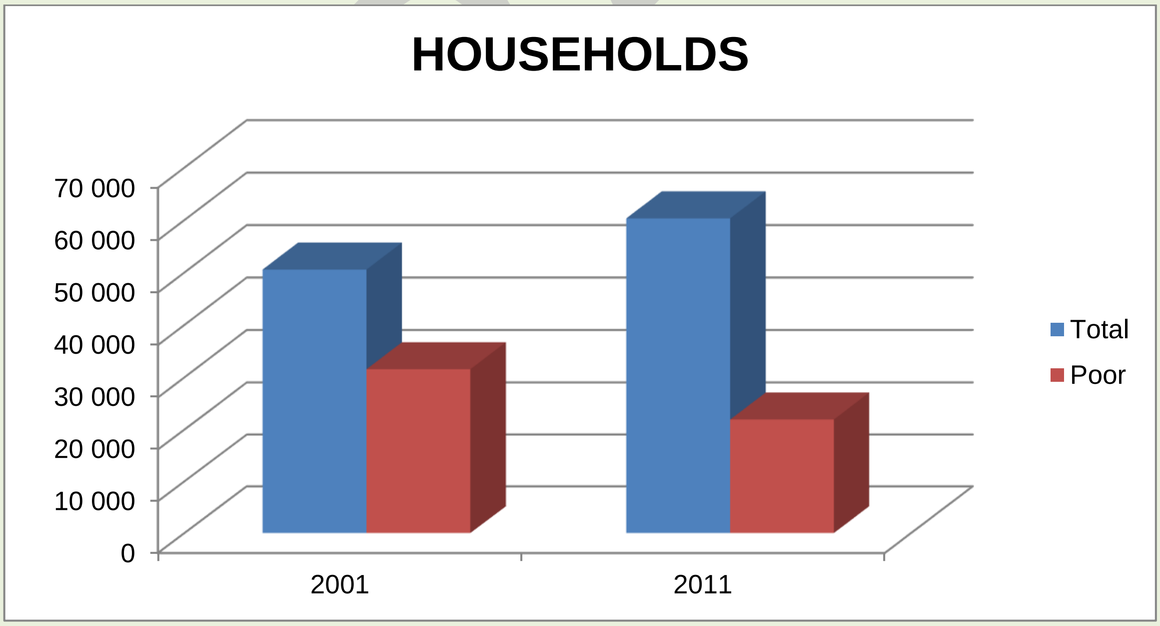
1.3.1 Introduction

The Northern Cape as the province is the largest in country in terms of the extent, with low human densities per square meter compared with other provinces. The economy of the province was supported by mining sector which had been deteriorating since the late and beginning of years 2000 thus leaving many people unemployed. The table below indicates the population statistics of the municipality as extracted from Census 2011 report.

1.3.2 Population Details

Population Details						
Age	2001			2011		
	Male	Female	Total	Male	Female	Total
Age: 0 – 19	39,792	40,000	79,792	47,383	45,908	93,291
Age: 20 -59	50,102	55,456	105,558	64,516	69,568	134,084
Age: 60+	6,424	9,692	16,116	6,424	12,350	18,774

1.3.3 Bar Chart depicting Socio-Economic Status from 2001 to 2011



1.3.4 Socio Economic Status

NUMBER OF HOUSEHOLDS BY POPULATION GROUP

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa. In 2015, the Sol Plaatje Local Municipality comprised of 64 100 households. This equates to an average annual growth rate of 1.67% in the number of households from 2005 to 2015. With an average annual growth rate of 2.22% in the total population, the average household size in the Sol Plaatje Local Municipality is by implication increasing. This is confirmed by the data where the average household size in 2005 increased from approximately 3.8 individuals per household to 4.1 persons per household in 2015.

TABLE 1. Number OF HOUSEHOLDS - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [NUMBER PERCENTAGE]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2005	54,300	89,200	279,000	12,800,000	*60.9%*	*19.5%*	*0.42%*
2006	54,800	89,500	281,000	13,000,000	*61.2%*	*19.5%*	*0.42%*
2007	55,300	89,600	284,000	13,100,000	*61.7%*	*19.5%*	*0.42%*
2008	56,000	89,800	288,000	13,400,000	*62.3%*	*19.4%*	*0.42%*
2009	55,700	88,500	288,000	13,700,000	*63.0%*	*19.3%*	*0.41%*
2010	56,300	88,800	292,000	13,900,000	*63.4%*	*19.3%*	*0.40%*
2011	57,700	90,600	299,000	14,200,000	*63.6%*	*19.3%*	*0.41%*
2012	59,600	93,200	307,000	14,500,000	*63.9%*	*19.4%*	*0.41%*
2013	61,500	95,800	315,000	14,700,000	*64.2%*	*19.5%*	*0.42%*
2014	62,900	97,600	320,000	15,000,000	*64.5%*	*19.7%*	*0.42%*
2015	64,100	99,100	324,000	15,400,000	*64.7%*	*19.8%*	*0.42%*
Average Annual growth							
2005-2015	***1.67*%**	***1.06*%**	***1.52*%**	***1.86*%**			

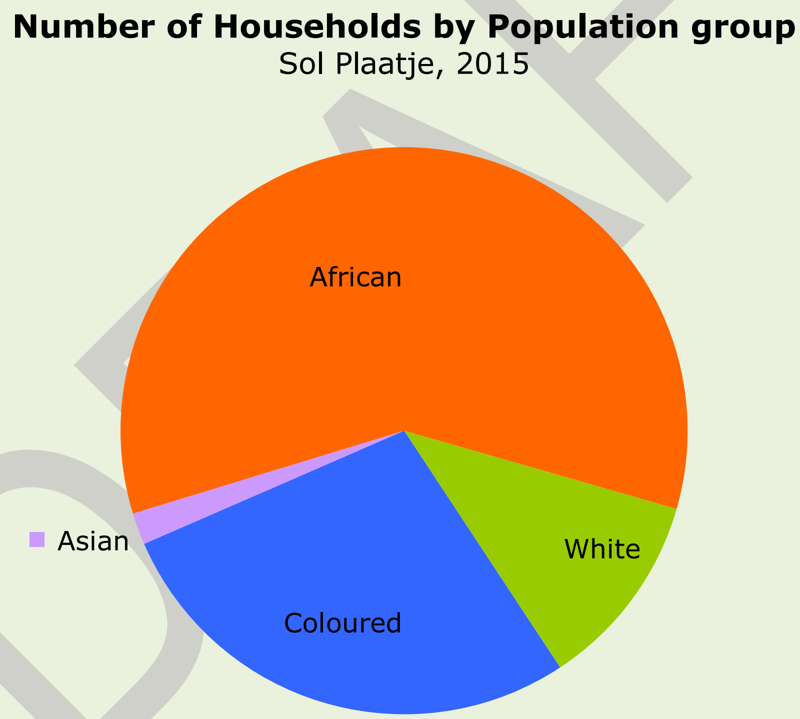
Source: IHS Global Insight Regional eXplorer version 1029

Relative to the district municipality, the Sol Plaatje Local Municipality had a higher average annual growth rate of 1.67% from 2005 to 2015. In contrast, the province had an average

annual growth rate of 1.52% from 2005. South Africa as a whole had a total of 15.4 million households, with a growth rate of 1.86%, thus growing at a higher rate than the Sol Plaatje.

The composition of the households by population group consists of 59.2% which is ascribed to the African population group with the largest number of households by population group. The Coloured population group had a total composition of 27.7% (ranking second). The White population group had a total composition of 11.3% of the total households. The smallest population group by households is the Asian population group with only 1.8% in 2015.

NUMBER OF HOUSEHOLDS BY POPULATION GROUP - SOL PLAATJE LOCAL MUNICIPALITY, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

The growth in the number of African headed households was on average 2.79% per annum between 2005 and 2015, which translates in the number of households increasing by 9,110 in the period. Although the Asian population group is not the biggest in size, it was however the fastest growing population group between 2005 and 2015 at 2.87%. The average annual growth rate in the number of households for all the other population groups has increased with 1.65%.

HIV+ AND AIDS ESTIMATES

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately ten years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

TABLE 2. NUMBER OF HIV+ PEOPLE - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [NUMBER AND PERCENTAGE]

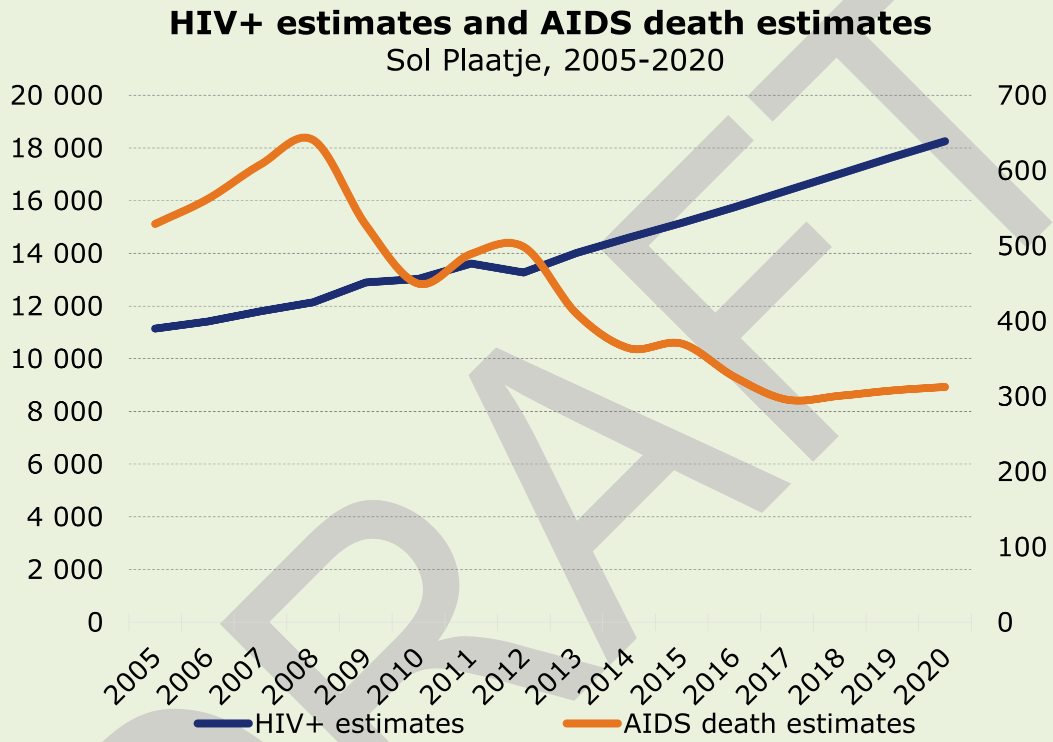
Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2005	11,100	18,100	43,300	5,260,000	*61.6%*	*25.7%*	*0.21%*
2006	11,400	18,400	44,200	5,320,000	*62.1%*	*25.8%*	*0.21%*
2007	11,800	18,800	45,200	5,370,000	*62.7%*	*26.1%*	*0.22%*
2008	12,100	19,200	46,500	5,410,000	*63.4%*	*26.1%*	*0.22%*
2009	12,900	20,200	48,200	5,490,000	*64.0%*	*26.8%*	*0.23%*
2010	13,000	20,200	50,200	5,600,000	*64.5%*	*26.0%*	*0.23%*
2011	13,600	21,000	51,900	5,690,000	*64.8%*	*26.2%*	*0.24%*
2012	13,300	20,400	53,500	5,770,000	*65.2%*	*24.8%*	*0.23%*
2013	14,000	21,400	55,300	5,880,000	*65.5%*	*25.3%*	*0.24%*
2014	14,600	22,200	57,300	6,010,000	*65.8%*	*25.5%*	*0.24%*
2015	15,200	23,000	59,200	6,140,000	*66.0%*	*25.6%*	*0.25%*
Average Annual growth							
2005-2015	***3.12***%	***2.42***%	***3.18***%	***1.56***%			

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, 15,200 people in the Sol Plaatje Municipality were infected with HIV. This reflects an increase at an average annual rate of 3.12% since 2005, and in 2015 represented 5.82% of the local municipality's total population. Frances Baard District Municipality had an average annual growth rate of 2.42% from 2005 to 2015 in the number of people infected with HIV, which is lower than that of the Sol Plaatje Municipality. The number of infections in Northern Cape Province increased from 43,300 in 2005 to 59,200 in 2015. When looking at South Africa

as a whole it can be seen that the number of people that are infected increased from 2005 to 2015 with an average annual growth rate of 1.56%.

AIDS PROFILE AND FORECAST - SOL PLAATJE LOCAL MUNICIPALITY, 2005-2020 [NUMBERS]



Source: IHS Global Insight Regional eXplorer version 1029

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 529 in 2005 and 370 for 2015. This number denotes a decrease from 2005 to 2015 with a high average annual rate of -3.51% (or -159 people). For the year 2015, they represented 0.14% of the total population of the entire local municipality.

ECONOMY

The economic state of Sol Plaatje Municipality is put in perspective by comparing it on a spatial level with its neighbouring locals, Frances Baard District Municipality, Northern Cape Province and South Africa.

The Sol Plaatje Municipality does not function in isolation from Frances Baard, Northern Cape Province, South Africa and the world; and now, more than ever, it is crucial to have reliable

information on its economy for effective planning. Information is needed that will empower the municipality to plan and implement policies that will encourage the social development and economic growth of the people and industries in the municipality respectively.

GROSS DOMESTIC PRODUCT BY REGION (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

TABLE 3. GROSS DOMESTIC PRODUCT (GDP) - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [R BILLIONS, CURRENT PRICES]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2005	9.4	12.6	33.7	1,639.3	*75.2%*	*28.0%*	*0.58%*
2006	11.5	15.1	40.3	1,839.4	*76.0%*	*28.5%*	*0.62%*
2007	13.3	17.8	47.8	2,109.5	*75.1%*	*27.9%*	*0.63%*
2008	15.0	20.2	54.7	2,369.1	*74.1%*	*27.4%*	*0.63%*
2009	14.6	19.6	54.4	2,507.7	*74.3%*	*26.8%*	*0.58%*
2010	16.2	21.5	60.1	2,748.0	*75.4%*	*26.9%*	*0.59%*
2011	17.9	23.3	64.0	3,023.7	*77.0%*	*28.0%*	*0.59%*
2012	18.9	24.2	68.2	3,254.0	*78.1%*	*27.7%*	*0.58%*
2013	20.1	25.6	73.0	3,549.2	*78.5%*	*27.5%*	*0.57%*
2014	22.7	28.7	80.1	3,812.6	*79.2%*	*28.3%*	*0.60%*
2015	23.2	29.4	82.8	4,013.6	*78.8%*	*28.0%*	*0.58%*

Source: IHS Global Insight Regional eXplorer version 1029

With a GDP of R23.2 billion in 2015 (up from R9.45 billion in 2005), Sol Plaatje Municipality contributed 78.85% to the Frances Baard District Municipality GDP of R29.4 billion in 2015 increasing in the share of the Frances Baard from 75.16% in 2005. Sol Plaatje Municipality contributes 27.99% to the GDP of Northern Cape Province and 0.58% the GDP of South Africa which had a total GDP of R4.01 trillion in 2015 (as measured in nominal or current prices). Its

contribution to the national economy stayed similar in importance from 2005 when it contributed 0.58% to South Africa, but it is lower than the peak of 0.63% in 2008.

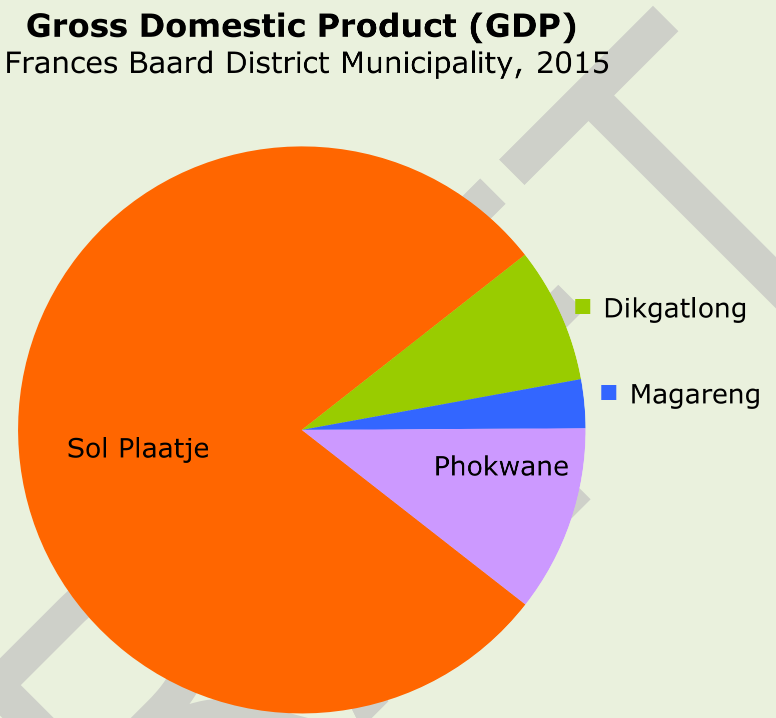
TABLE 4. GROSS DOMESTIC PRODUCT (GDP) - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [ANNUAL PERCENTAGE CHANGE, CONSTANT 2010 PRICES]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total
2005	4.6%	5.4%	3.2%	5.1%
2006	7.5%	6.6%	3.8%	5.3%
2007	3.3%	3.7%	3.3%	5.4%
2008	2.2%	2.7%	1.7%	3.2%
2009	-5.4%	-6.0%	-2.3%	-1.5%
2010	1.6%	0.5%	2.2%	3.0%
2011	4.0%	2.3%	2.0%	3.3%
2012	0.2%	-1.2%	3.2%	2.2%
2013	1.6%	0.6%	2.2%	2.3%
2014	1.5%	0.7%	2.8%	1.6%
2015	-0.9%	-0.6%	-1.8%	1.2%
Average Annual growth				
2005-2015+	***1.51***%	***0.89***%	***1.70***%	***2.58***%

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, Sol Plaatje Municipality attained an annual growth rate of -0.94% which is a significantly higher GDP growth than the Northern Cape Province's -1.82%, and is lower than that of South Africa, where the 2015 GDP growth rate was 1.17%. Similar to the short-term growth rate of 2015, the longer-term average growth rate for Sol Plaatje (1.51%) is also significantly lower than that of South Africa (2.58%). The economic growth in Sol Plaatje peaked in 2006 at 7.52%.

GROSS DOMESTIC PRODUCT (GDP) - SOL PLAATJE MUNICIPALITY AND THE REST OF FRANCES BAARD, 2015 [PERCENTAGE]



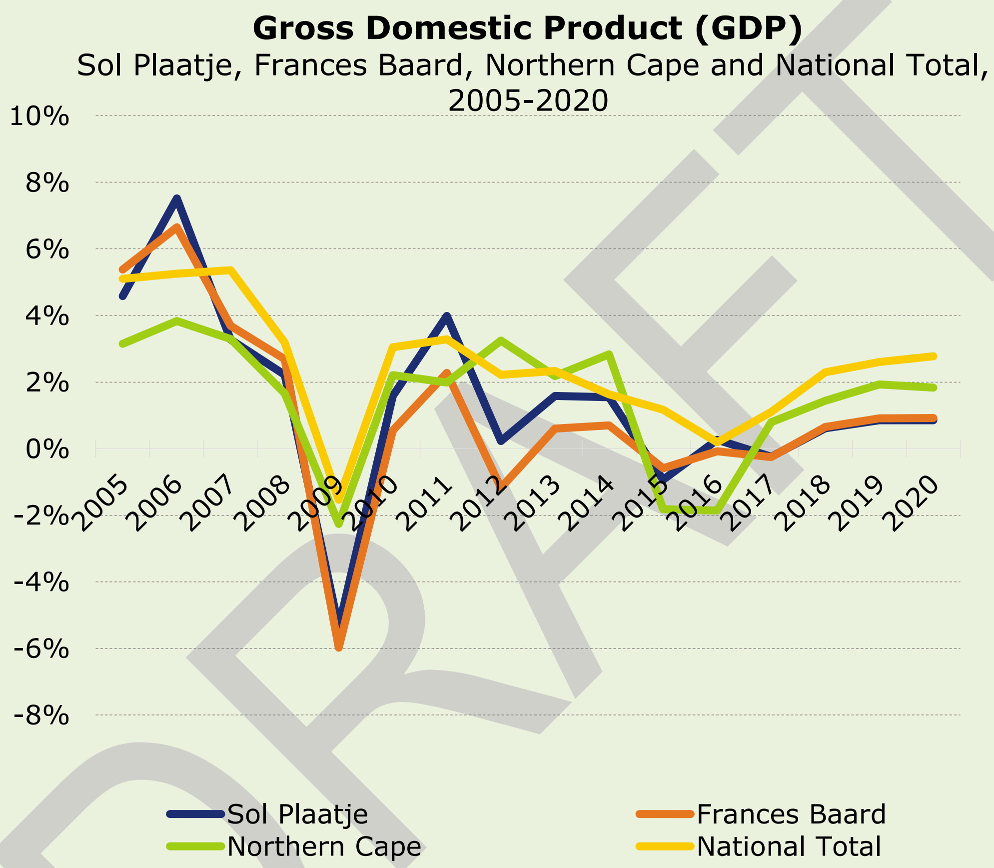
Source: IHS Global Insight Regional eXplorer version 1029

Sol Plaatje Municipality had a total GDP of R23.2 billion and in terms of total contribution towards Frances Baard District Municipality, Sol Plaatje Municipality ranked highest relative to all the regional economies to total Frances Baard District Municipality GDP. This ranking in terms of size compared to other regions of Sol Plaatje remained the same since 2005. In terms of its share, it was in 2015 (78.8%) significantly larger compared to what it was in 2005 (75.2%). For the period 2005 to 2015, the average annual growth rate of 1.5% of Sol Plaatje was the highest relative to its peers in terms of growth in constant 2010 prices.

ECONOMIC GROWTH FORECAST

It is expected that Sol Plaatje Municipality will grow at an average annual rate of 0.47% from 2015 to 2020. The average annual growth rate in the GDP of Frances Baard District Municipality and Northern Cape Province is expected to be 0.43% and 0.82% respectively. South Africa is forecast to grow at an average annual growth rate of 1.79%, which is higher than that of Sol Plaatje Municipality.

TABLE 5. GROSS DOMESTIC PRODUCT (GDP) - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2020 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: IHS Global Insight Regional eXplorer version 1029

In 2020, Sol Plaatje's forecasted GDP will be an estimated R17.6 billion (constant 2010 prices) or 79.1% of the total GDP of Frances Baard District Municipality. The ranking in terms of size of the Sol Plaatje Municipality will remain the same between 2015 and 2020, with a contribution to the Frances Baard District Municipality GDP of 79.1% in 2020 compared to the 78.9% in 2015. At a 0.47% average annual GDP growth rate between 2015 and 2020, Sol Plaatje ranked the second compared to the other regional economies.

GROSS VALUE ADDED BY REGION (GVA-R)

The Sol Plaatje Local Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy.

The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Sol Plaatje Local Municipality.

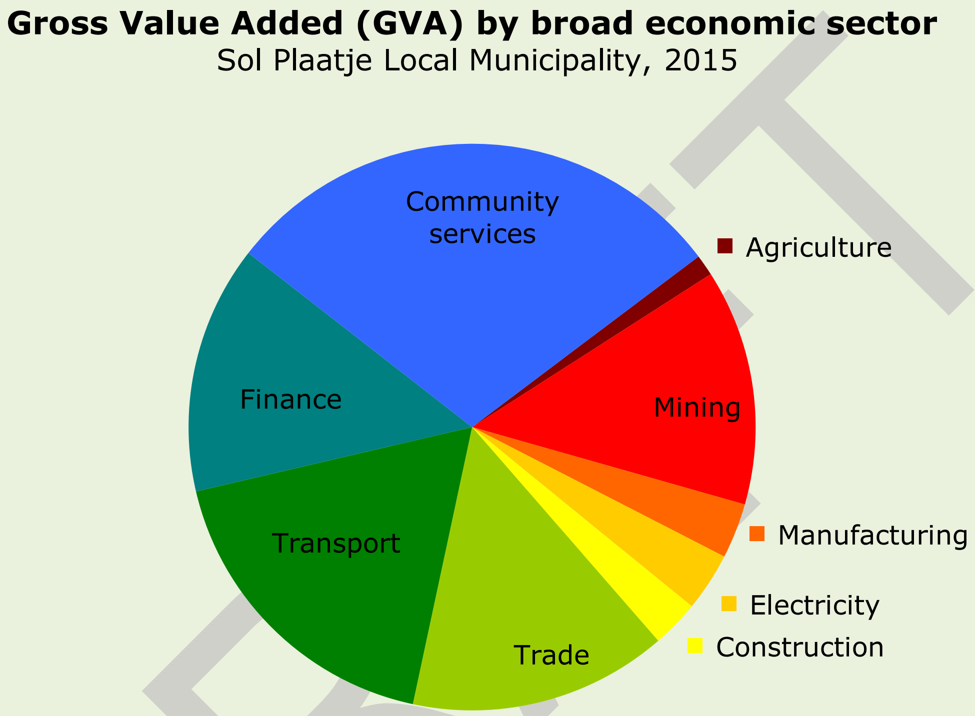
TABLE 6. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SOL PLAATJE LOCAL MUNICIPALITY, 2015 [R BILLIONS, CURRENT PRICES]

Sector	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
Agriculture	0.3	0.7	5.8	85.1	*37.5%*	*4.3%*	*0.30%*
Mining	2.8	3.6	17.3	286.0	*77.8%*	*16.3%*	*0.99%*
Manufacturing	0.7	1.2	2.5	474.5	*57.1%*	*26.1%*	*0.14%*
Electricity	0.7	1.2	3.2	131.6	*58.0%*	*22.0%*	*0.53%*
Construction	0.6	0.7	1.9	145.3	*80.1%*	*29.1%*	*0.39%*
Trade	3.1	3.8	9.5	539.0	*80.5%*	*32.6%*	*0.57%*
Transport	3.8	4.3	9.3	368.0	*87.4%*	*40.7%*	*1.02%*
Finance	3.0	3.5	7.5	739.1	*84.9%*	*39.5%*	*0.40%*
Community services	6.1	7.3	17.0	821.2	*84.0%*	*35.8%*	*0.74%*
Total Industries	**20.9**	**26.3**	**74.0**	**3,589.8**	***79.6%***	***28.3%***	***0.58%***

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, the community services sector is the largest within Sol Plaatje Municipality accounting for R6.11 billion or 29.2% of the total GVA in the municipality's economy. The sector that contributes the second most to the GVA of the Sol Plaatje Municipality is the transport sector at 18.0%, followed by the trade sector with 14.8%. The sector that contributes the least to the economy of Sol Plaatje Municipality is the agriculture sector with a contribution of R252 million or 1.20% of the total GVA.

GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SOL PLAATJE LOCAL MUNICIPALITY, 2015 [PERCENTAGE COMPOSITION]



Source: IHS Global Insight Regional eXplorer version 1029

The community sector, which includes the government services, is generally a large contributor towards GVA. When looking at all the regions within the Frances Baard District Municipality, it is clear that Sol Plaatje contributes the most community services towards its own GVA, with 84.02%, relative to the other regions within Frances Baard District Municipality. Sol Plaatje contributed R20.9 billion or 79.63% to the GVA of Frances Baard District Municipality. Sol Plaatje also contributes the most the overall GVA of Frances Baard District Municipality.

HISTORICAL ECONOMIC GROWTH

For the period 2015 and 2005, the GVA in the construction sector had the highest average annual growth rate in Sol Plaatje at 4.42%. The industry with the second highest average annual growth rate is the community services sector averaging at 2.85% per year. The mining sector had an average annual growth rate of -1.22%, while the agriculture sector had the lowest average annual growth of -1.60%. Overall a negative growth existed for all the industries in 2015 with an annual growth rate of -0.74% since 2014.

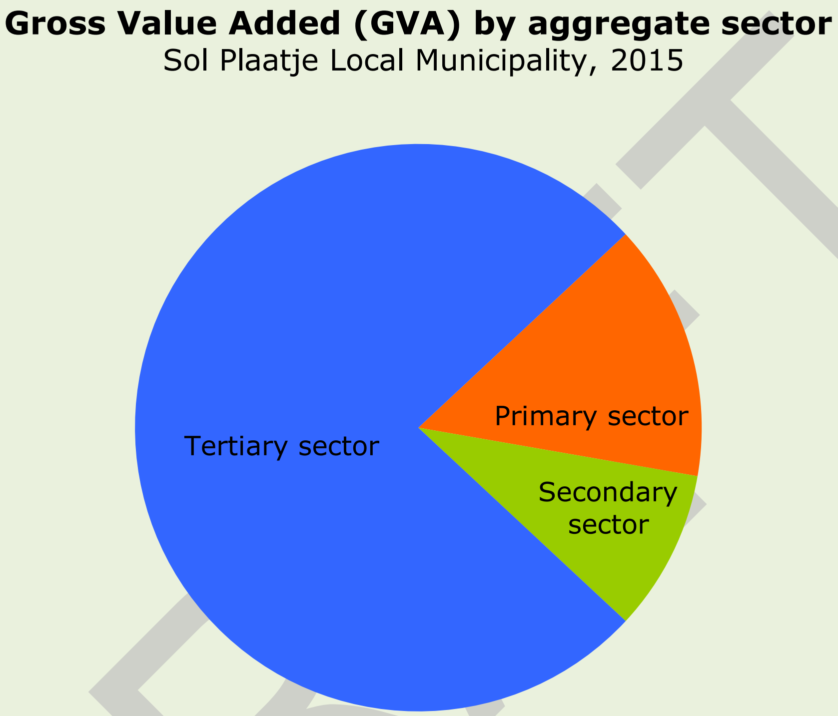
TABLE 7. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - SOL PLAATJE LOCAL MUNICIPALITY, 2005, 2010 AND 2015 [R BILLIONS, 2010 CONSTANT PRICES]

Sector	2005	2010	2015	Average Annual Growth
Agriculture	0.20	0.19	0.17	***-1.60%***
Mining	2.34	2.15	2.07	***-1.22%***
Manufacturing	0.40	0.48	0.52	***2.69%***
Electricity	0.37	0.38	0.38	***0.03%***
Construction	0.28	0.42	0.44	***4.42%***
Trade	2.01	2.19	2.35	***1.56%***
Transport	1.96	2.18	2.38	***1.98%***
Finance	2.56	2.83	3.14	***2.07%***
Community services	3.28	3.89	4.34	***2.85%***
Total Industries	13.41	14.72	15.79	*1.65%*
Total Industries	**13.41**	**14.72**	**15.79**	***1.65%***

Source: IHS Global Insight Regional eXplorer version 1029

The tertiary sector contributes the most to the Gross Value Added within Sol Plaatje Municipality at 76.1%. This is slightly higher than the national economy (68.7%). The primary sector contributed a total of 14.7% (ranking second), while the secondary sector contributed the least at 9.2%.

GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - SOL PLAATJE LOCAL MUNICIPALITY, 2015 [PERCENTAGE]



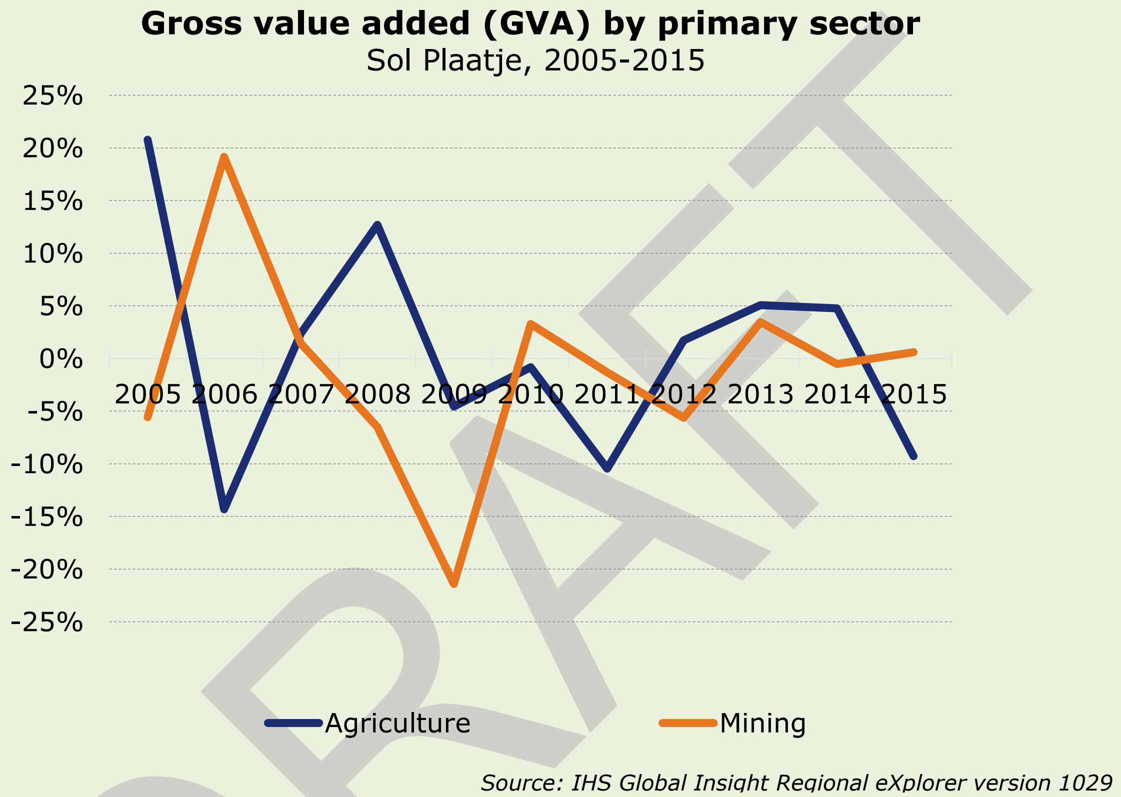
Source: IHS Global Insight Regional eXplorer version 1029

The following is a breakdown of the Gross Value Added (GVA) by aggregated sector:

PRIMARY SECTOR

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Sol Plaatje Municipality from 2005 to 2015.

GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - SOL PLAATJE, 2005-2015 [ANNUAL PERCENTAGE CHANGE]

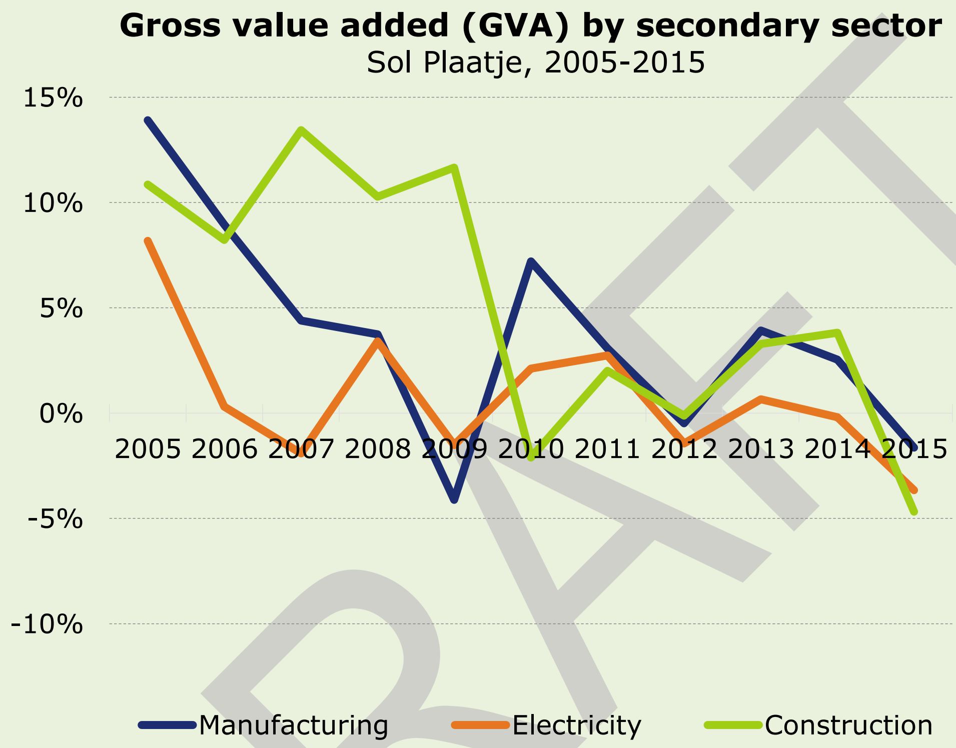


Between 2005 and 2015, the agriculture sector experienced the highest positive growth in 2005 with an average growth rate of 20.8%. The mining sector reached its highest point of growth of 19.2% in 2006. The agricultural sector experienced the lowest growth for the period during 2006 at -14.3%, while the mining sector reaching its lowest point of growth in 2009 at -21.4%. Both the agriculture and mining sectors are generally characterised by volatility in growth over the period.

SECONDARY SECTOR

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Sol Plaatje Municipality from 2005 to 2015.

GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - SOL PLAATJE, 2005-2015 [ANNUAL PERCENTAGE CHANGE]



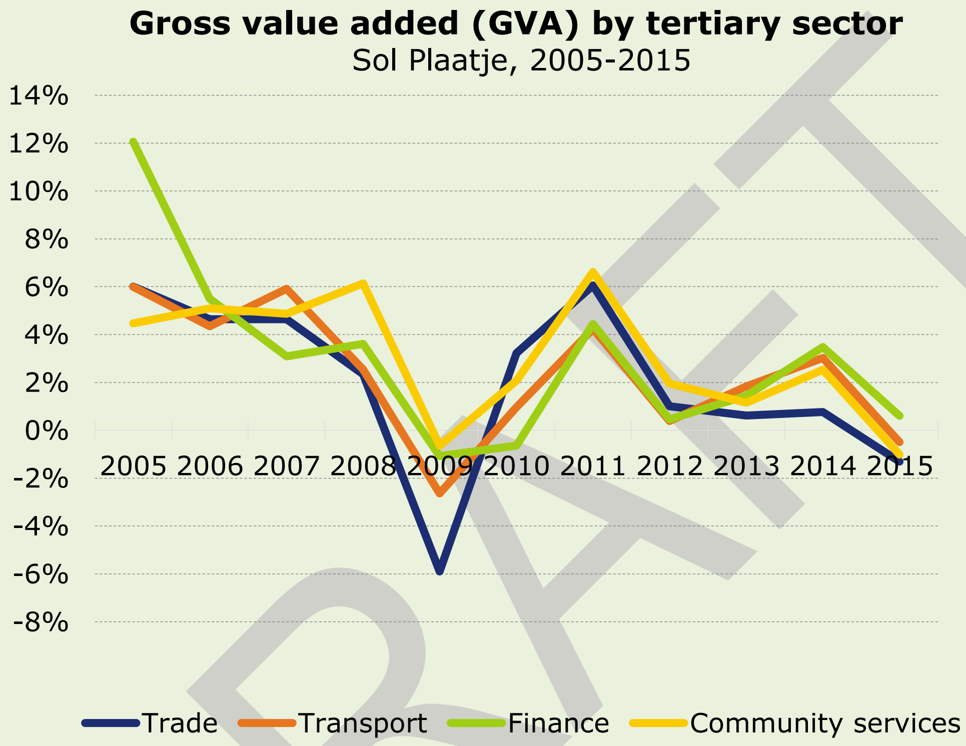
Source: IHS Global Insight Regional eXplorer version 1029

Between 2005 and 2015, the manufacturing sector experienced the highest positive growth in 2005 with a growth rate of 13.9%. The construction sector reached its highest growth in 2007 at 13.4%. The manufacturing sector experienced its lowest growth in 2015 of -4.1%, while the construction sector reached its lowest point of growth in 2015 a with -4.7% growth rate. The electricity sector experienced the highest growth in 2005 at 8.2%, while it recorded the lowest growth of -3.7% in 2015.

TERTIARY SECTOR

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Sol Plaatje Municipality from 2005 to 2015.

GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - SOL PLAATJE, 2005-2015 [ANNUAL PERCENTAGE CHANGE]



Source: IHS Global Insight Regional eXplorer version 1029

The trade sector experienced the highest positive growth in 2011 with a growth rate of 6.1%. The transport sector reached its highest point of growth in 2005 at 6.0%. The finance sector experienced the highest growth rate in 2005 when it grew by 12.1% and recorded the lowest growth rate in 2009 at -1.1%. The Trade sector also had the lowest growth rate in 2009 at -5.9%. The community services sector, which largely consists of government, experienced its highest positive growth in 2011 with 6.6% and the lowest growth rate in 2015 with -1.0%.

LABOUR

The labour force of a country consists of everyone of working age (above a certain age and below retirement) that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 8. WORKING AGE POPULATION IN SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005 AND 2015 [NUMBER]

Age Group	Sol Plaatje		Frances Baard		Northern Cape		National Total	
	2005	2015	2005	2015	2005	2015	2005	2015
15-19	22,700	22,300	35,700	33,900	108,000	105,000	5,340,000	4,550,000
20-24	22,000	23,600	34,100	35,000	101,000	107,000	5,150,000	5,110,000
25-29	19,400	24,800	30,000	35,700	88,200	108,000	4,380,000	5,660,000
30-34	15,600	23,000	23,600	33,300	72,100	99,300	3,460,000	5,150,000
35-39	13,600	19,600	20,700	28,600	63,700	85,000	2,910,000	4,030,000
40-44	12,800	15,200	19,700	21,900	59,500	68,200	2,600,000	2,990,000
45-49	11,400	12,600	17,600	18,500	53,600	59,800	2,260,000	2,490,000
50-54	9,570	11,700	14,800	17,300	44,700	55,100	1,830,000	2,240,000
55-59	7,310	10,400	11,800	15,400	35,800	49,500	1,470,000	1,940,000
60-64	5,650	8,580	9,110	12,800	28,300	40,400	1,150,000	1,570,000
Total	**139,950**	**171,807**	**217,072**	**252,632**	**655,246**	**776,801**	**30,554,969**	**35,730,681**

Source: IHS Global Insight Regional eXplorer version 1029

The working age population in Sol Plaatje in 2015 was 172,000, increasing at an average annual rate of 2.07% since 2005. For the same period the working age population for Frances Baard District Municipality increased at 1.53% annually, while that of Northern Cape Province increased at 1.72% annually. South Africa's working age population has increased annually by 1.58% from 30.6 million in 2005 to 35.7 million in 2015.

ECONOMICALLY ACTIVE POPULATION (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

TABLE 9. ECONOMICALLY ACTIVE POPULATION (EAP) - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [NUMBER, PERCENTAGE]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2005	82,800	124,000	367,000	17,100,000	*66.5%*	*22.6%*	*0.48%*
2006	84,600	126,000	375,000	17,500,000	*67.0%*	*22.5%*	*0.48%*
2007	86,300	127,000	383,000	18,000,000	*67.7%*	*22.5%*	*0.48%*
2008	87,700	128,000	388,000	18,400,000	*68.5%*	*22.6%*	*0.48%*
2009	86,900	125,000	381,000	18,300,000	*69.4%*	*22.8%*	*0.47%*
2010	86,000	123,000	374,000	18,100,000	*70.2%*	*23.0%*	*0.48%*
2011	88,700	125,000	384,000	18,300,000	*70.7%*	*23.1%*	*0.48%*
2012	91,500	129,000	401,000	18,700,000	*70.9%*	*22.8%*	*0.49%*
2013	96,800	136,000	422,000	19,300,000	*71.0%*	*22.9%*	*0.50%*
2014	101,000	142,000	441,000	20,100,000	*71.1%*	*22.9%*	*0.50%*
2015	103,000	145,000	450,000	20,700,000	*71.2%*	*22.9%*	*0.50%*
Average Annual growth							
2005-2015	***2.21%***	***1.53%***	***2.06%***	***1.92%***			

Source: IHS Global Insight Regional eXplorer version 1029

Sol Plaatje Municipality's EAP was 103,000 in 2015, which is 39.61% of its total population of 260,000, and roughly 71.15% of the total EAP of the Frances Baard District Municipality. From 2005 to 2015, the average annual increase in the EAP in the Sol Plaatje Municipality was 2.21%, which is 0.683 percentage points higher than the growth in the EAP of Frances Baard's for the same period.

The following is the labour participation rate of the Sol Plaatje, Frances Baard, Northern Cape and National Total as a whole.

TABLE 10. THE LABOUR FORCE PARTICIPATION RATE - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [PERCENTAGE]

Perriod	Sol Plaatje	Frances Baard	Northern Cape	National Total
2005	59.2%	57.3%	56.0%	55.9%
2006	59.7%	57.7%	56.7%	56.4%
2007	59.9%	57.7%	57.0%	57.0%
2008	59.4%	57.0%	56.6%	57.4%
2009	57.4%	54.8%	54.5%	56.2%
2010	55.4%	52.6%	52.4%	54.5%
2011	55.8%	52.9%	52.7%	54.3%
2012	56.4%	53.5%	54.1%	54.7%
2013	58.4%	55.6%	56.0%	55.7%
2014	59.9%	57.1%	57.6%	57.1%
2015	60.0%	57.4%	57.9%	57.9%

Source: IHS Global Insight Regional eXplorer version 1029

Sol Plaatje Municipality's labour force participation rate increased from 59.18% to 60.01% which is an increase of 0.83 percentage points. Frances Baard District Municipality increased from 57.34% to 57.35%, Northern Cape Province increased from 56.01% to 57.91% and South Africa increased from 55.93% to 57.85% from 2005 to 2015. Sol Plaatje Municipality labour force participation rate exhibited a lower percentage point change compared to the Northern Cape Province from 2005 to 2015. Sol Plaatje Municipality had a higher labour force participation rate when compared to South Africa in 2015.

THE LABOUR FORCE PARTICIPATION RATE - SOL PLAATJE LOCAL MUNICIPALITY, 2005-2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015 the labour force participation rate for Sol Plaatje was at 60.0% which is very similar when compared to the 59.2% in 2005. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2005, the unemployment rate for Sol Plaatje was 36.6% and decreased overtime to 36.0% in 2015. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for employment within Sol Plaatje Municipality.

TOTAL EMPLOYMENT

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

TABLE 11. TOTAL EMPLOYMENT - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [NUMBERS]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total
2005	54,500	79,700	252,000	12,500,000
2006	56,200	81,600	260,000	13,000,000
2007	58,700	84,200	272,000	13,500,000
2008	61,700	87,500	285,000	14,100,000
2009	60,800	85,100	281,000	14,000,000
2010	58,300	80,600	273,000	13,600,000
2011	59,200	81,100	278,000	13,800,000
2012	61,900	83,400	289,000	14,000,000
2013	65,700	87,700	302,000	14,500,000
2014	68,400	90,700	313,000	15,100,000
2015	68,200	90,700	316,000	15,400,000
Average Annual growth				
2005-2015	***2.27*%**	***1.30*%**	***2.28*%**	***2.07*%**

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, Sol Plaatje employed 68,200 people which is 75.19% of the total employment in Frances Baard District Municipality (90,700), 21.59% of total employment in Northern Cape Province (316,000), and 0.44% of the total employment of 15.4 million in South Africa. Employment within Sol Plaatje increased annually at an average rate of 2.27% from 2005 to 2015. Sol Plaatje Municipality average annual employment growth rate of 2.27% exceeds the average annual labour force growth rate of 2.21% resulting in unemployment decreasing from 36.59% in 2005 to 36.03% in 2015 in the municipality.

TABLE 12. TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - SOL PLAATJE AND THE REST OF FRANCES BAARD, 2015 [NUMBERS]

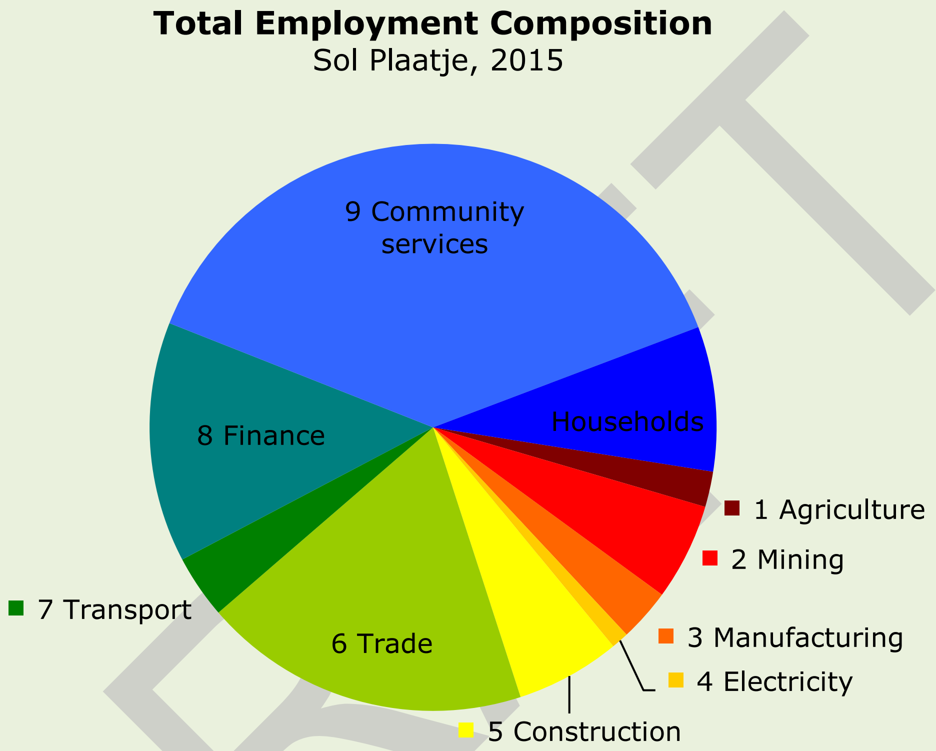
Sector	Sol Plaatje	Dikgatlong	Magareng	Phokwane	Total Frances Baard
Agriculture	1,380	536	303	1,060	3,279
Mining	3,770	1,260	223	702	5,956
Manufacturing	2,040	360	89	351	2,844
Electricity	678	41	54	138	911
Construction	4,070	437	258	762	5,528
Trade	12,700	1,370	555	2,370	17,022
Transport	2,460	248	119	217	3,048
Finance	9,350	683	319	1,130	11,480
Community services	26,100	2,140	1,120	3,300	32,660
Households	5,630	895	301	1,160	7,982
Total	**68,200**	**7,980**	**3,340**	**11,200**	**90,708**

Source: IHS Global Insight Regional eXplorer version 1029

Sol Plaatje Municipality employs a total number of 68,200 people within its local municipal area. Sol Plaatje Municipality also employs the highest number of people within Frances Baard District Municipality. The municipality that employs the lowest number of people relative to the other regions within Frances Baard District Municipality is Magareng Municipality with a total number of 3,340 employed people.

In Sol Plaatje Municipality the economic sectors that recorded the largest number of employment in 2015 were the community services sector with a total of 26,100 employed people or 38.3% of total employment in the local municipality. The trade sector with a total of 12,700 (18.7%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 678 (1.0%) is the sector that employs the least number of people in Sol Plaatje Municipality, followed by the agriculture sector with 1,380 (2.0%) people employed.

TOTAL EMPLOYMENT PER BROAD ECONOMIC SECTOR - SOL PLAATJE LOCAL MUNICIPALITY, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

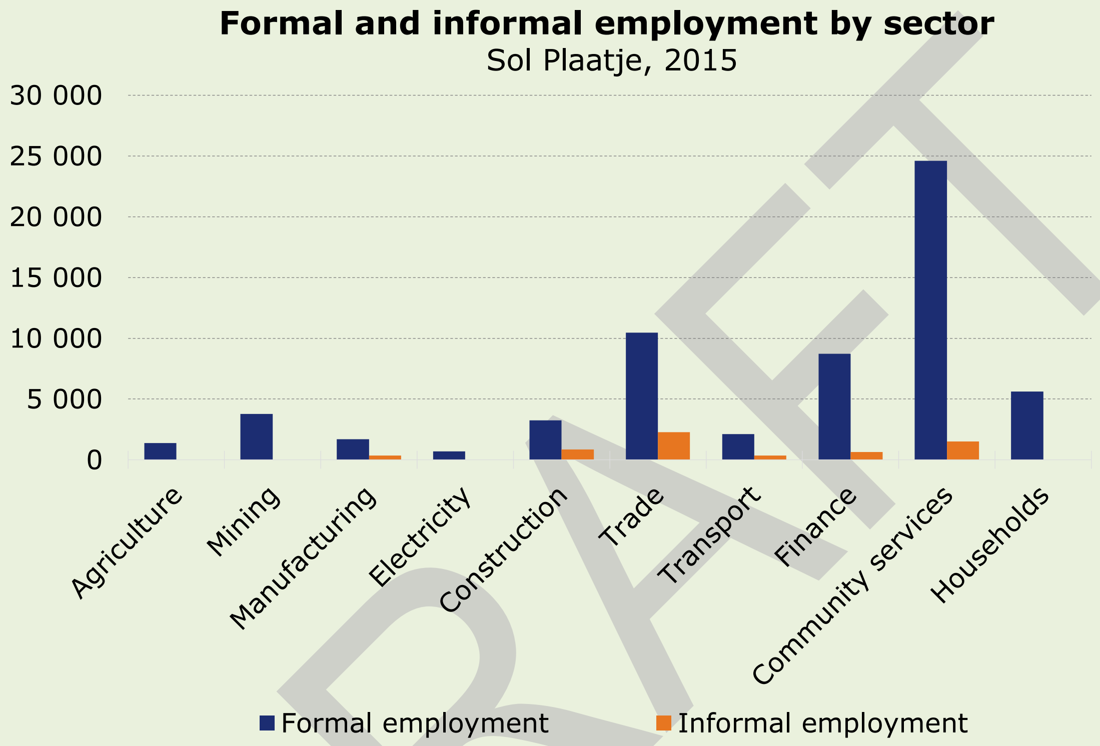
FORMAL AND INFORMAL EMPLOYMENT

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

Formal employment is much more stable than informal employment. Informal employment is much harder to measure and manage, simply because it cannot be tracked through the formal business side of the economy. Informal employment is however a reality in South Africa and cannot be ignored.

The number of formally employed people in Sol Plaatje Local Municipality counted 62,300 in 2015, which is about 91.29% of total employment, while the number of people employed in the informal sector counted 5,940 or 8.71% of the total employment. Informal employment in Sol Plaatje increased from 2,870 in 2005 to an estimated 5,940 in 2015.

FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - SOL PLAATJE LOCAL MUNICIPALITY, 2015 [NUMBERS]



Source: IHS Global Insight Regional eXplorer version 1029

UNEMPLOYMENT

The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

TABLE 13. UNEMPLOYMENT (OFFICIAL DEFINITION) - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [NUMBER PERCENTAGE]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2005	30,300	46,200	116,000	4,550,000	*65.6%*	*26.0%*	*0.67%*
2006	30,300	46,100	117,000	4,510,000	*65.6%*	*26.0%*	*0.67%*
2007	29,200	44,400	112,000	4,460,000	*65.7%*	*26.0%*	*0.65%*
2008	27,300	41,300	104,000	4,350,000	*66.0%*	*26.3%*	*0.63%*
2009	27,000	40,600	101,000	4,370,000	*66.4%*	*26.6%*	*0.62%*
2010	27,700	41,500	103,000	4,490,000	*66.8%*	*26.9%*	*0.62%*
2011	29,100	43,500	107,000	4,570,000	*67.0%*	*27.1%*	*0.64%*
2012	31,400	47,500	114,000	4,690,000	*66.1%*	*27.7%*	*0.67%*
2013	33,200	50,900	122,000	4,850,000	*65.3%*	*27.2%*	*0.68%*
2014	34,800	54,000	131,000	5,060,000	*64.5%*	*26.6%*	*0.69%*
2015	37,100	56,900	137,000	5,280,000	*65.3%*	*27.2%*	*0.70%*
Average Annual growth							
2005-2015	***2.06*%**	***2.11*%**	***1.63*%**	***1.50*%**			

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, there were a total number of 37,200 people unemployed in Sol Plaatje, which is an increase of 6,840 from 30,300 in 2005. The total number of unemployed people within Sol Plaatje constitutes 65.33% of the total number of unemployed people in Frances Baard District Municipality. Sol Plaatje Municipality experienced an average annual increase of 2.06% in the number of unemployed people, which is better than that of the Frances Baard District Municipality which had an average annual increase in unemployment of 2.11%.

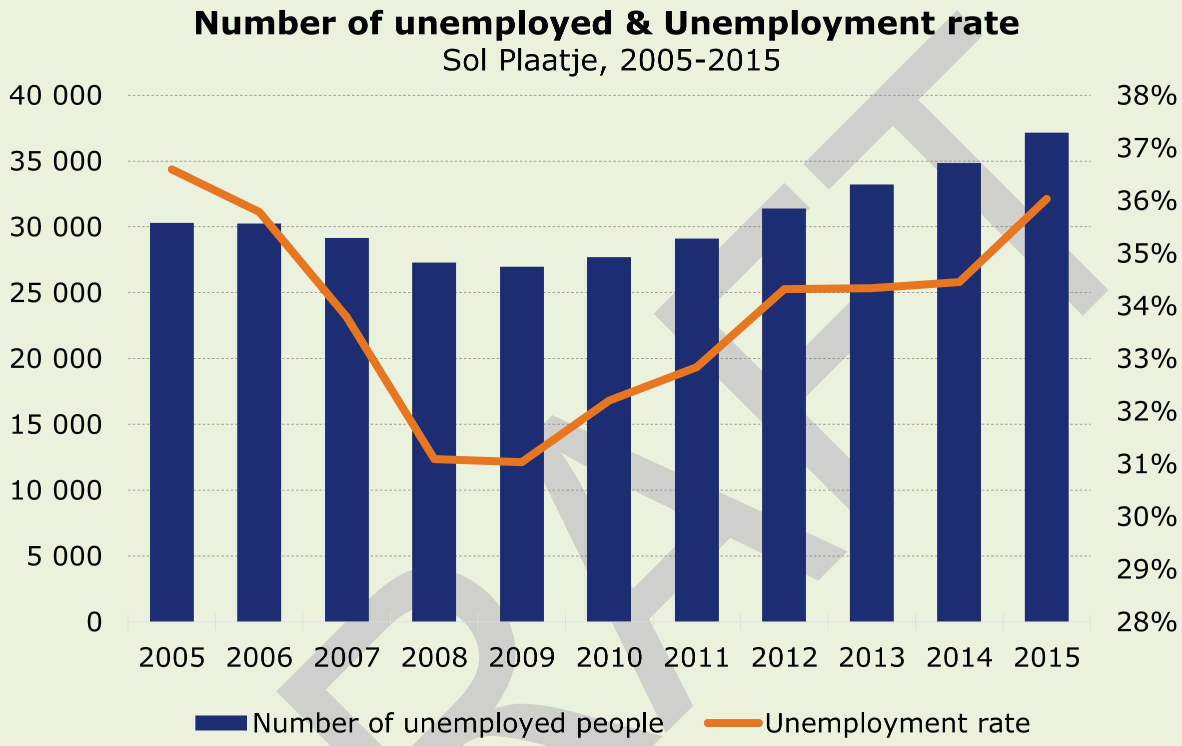
TABLE 14. UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [PERCENTAGE]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total
2005	36.6%	37.1%	31.7%	26.6%
2006	35.8%	36.6%	31.0%	25.8%
2007	33.8%	34.8%	29.3%	24.8%
2008	31.1%	32.3%	26.8%	23.6%
2009	31.0%	32.4%	26.6%	23.8%
2010	32.2%	33.8%	27.5%	24.8%
2011	32.8%	34.7%	28.0%	24.9%
2012	34.3%	36.8%	28.3%	25.0%
2013	34.3%	37.3%	29.0%	25.1%
2014	34.4%	38.0%	29.7%	25.1%
2015	36.0%	39.2%	30.4%	25.5%

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, the unemployment rate in Sol Plaatje Municipality (based on the official definition of unemployment) was 36.03%, which is a decrease of -0.559 percentage points. The unemployment rate in Sol Plaatje Municipality is lower than that of Frances Baard. Comparing to the Northern Cape Province it can be seen that the unemployment rate for Sol Plaatje Municipality was higher than that of Northern Cape which was 30.41%. The unemployment rate for South Africa was 25.53% in 2015, which is a decrease of 1.07 percentage points from 26.60% in 2005.

UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - SOL PLAATJE LOCAL MUNICIPALITY, 2005-2015 [NUMBER PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

When comparing unemployment rates among regions within Frances Baard District Municipality, Magareng Municipality has indicated the highest unemployment rate of 53.7%, which has increased from 46.1% in 2005. It can be seen that Sol Plaatje Municipality had the lowest unemployment rate of 36.0% in 2015, this decreased from 36.6% in 2005.

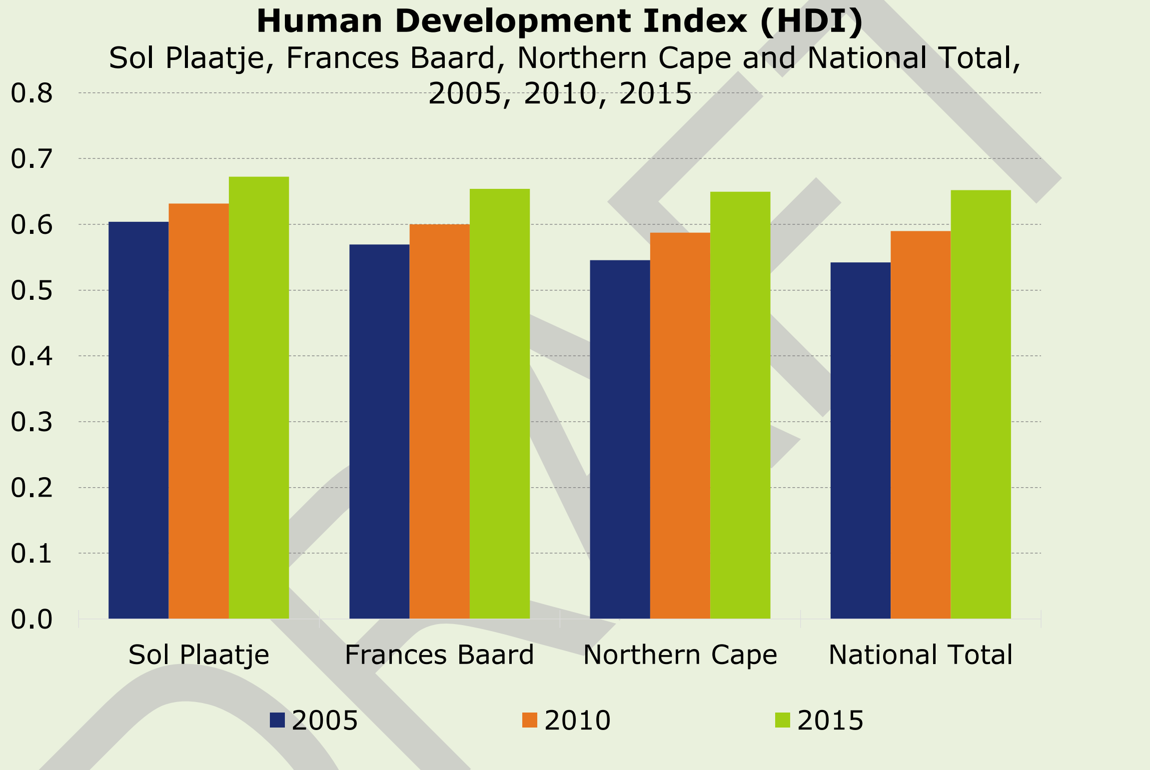
DEVELOPMENT

Indicators of development, like the Human Development Index (HDI), Gini Coefficient (income inequality), poverty and the poverty gap, and education, are used to estimate the level of development of a given region in South Africa relative to the rest of the country.

Another indicator that is widely used is the number (or percentage) of people living in poverty. Poverty is defined as the deprivation of those things that determine the quality of life, including food, clothing, shelter and safe drinking water. More than that, other "intangibles" is also included such as the opportunity to learn, and the privilege to enjoy the respect of fellow

citizens. Curbing poverty and alleviating the effects thereof should be a premise in the compilation of all policies that aspire towards a better life for all.

HUMAN DEVELOPMENT INDEX (HDI) - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005, 2010, 2015 [NUMBER]

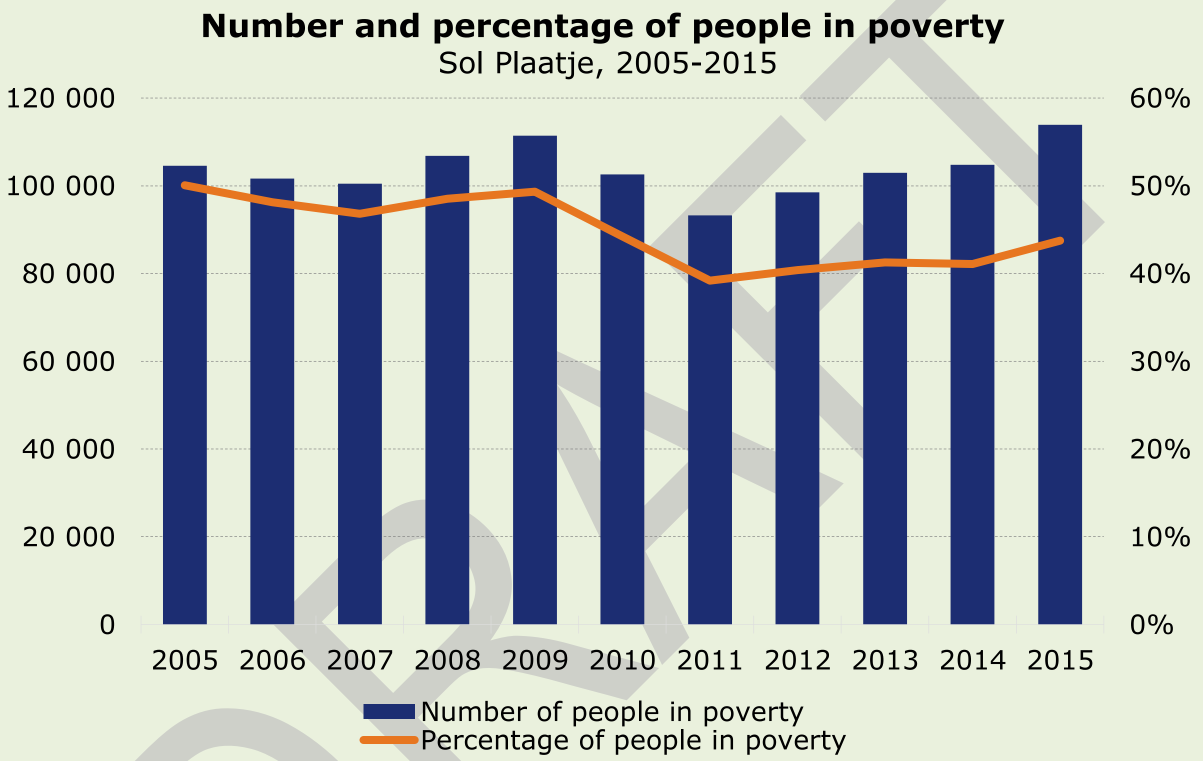


Source: IHS Global Insight Regional eXplorer version 1029

In 2015 Sol Plaatje Municipality had an HDI of 0.673 compared to Frances Baard with a HDI of 0.654, 0.65 of Northern Cape and 0.652 of National Total as a whole. Seeing that South Africa recorded a lower HDI in 2015 when compared to Sol Plaatje Municipality which translates to better human development for Sol Plaatje Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.86% and this increase is higher than that of Sol Plaatje Municipality (1.08%).

POVERTY

NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - SOL PLAATJE LOCAL MUNICIPALITY, 2005-2015 [NUMBER PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015, there were 114,000 people living in poverty, using the upper poverty line definition, across Sol Plaatje Municipality - this is 8.94% higher than the 105,000 in 2005. The percentage of people living in poverty has decreased from 50.06% in 2005 to 43.76% in 2015, which indicates a decrease of 6.3 percentage points.

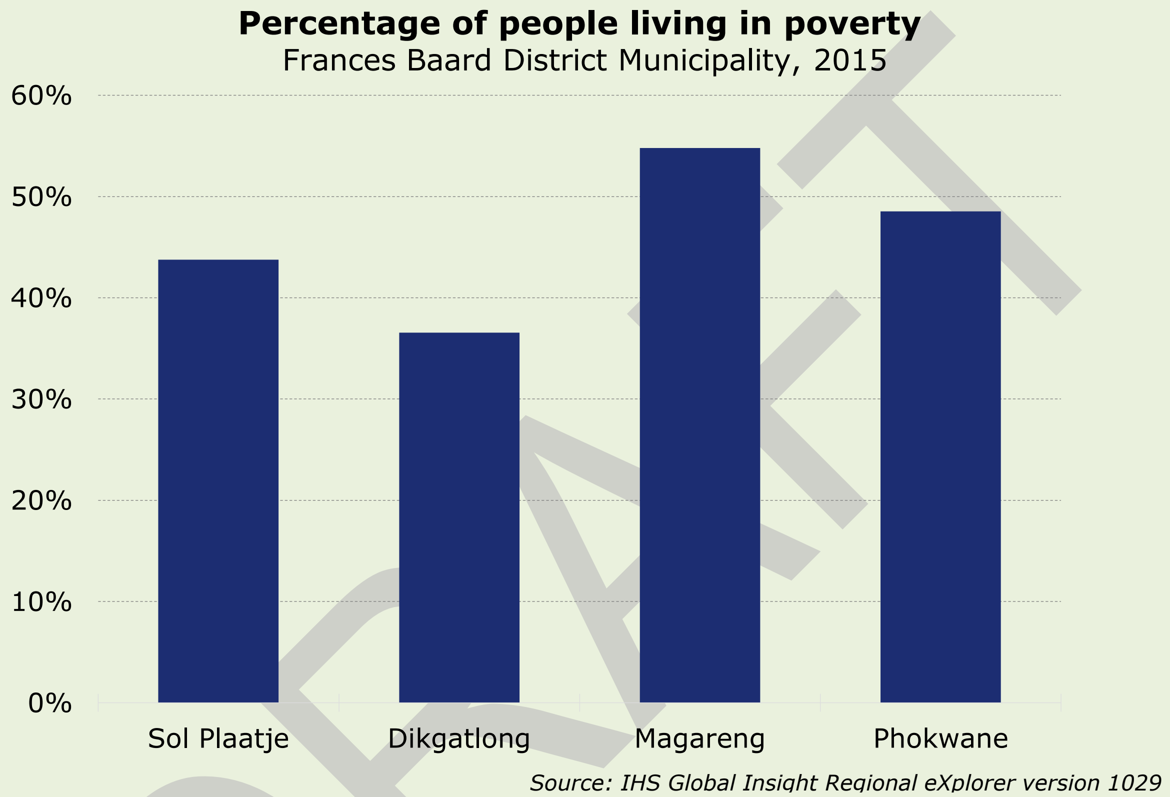
TABLE 15. PERCENTAGE OF PEOPLE LIVING IN POVERTY BY POPULATION GROUP - SOL PLAATJE, 2005-2015 [PERCENTAGE]

Period	African	White	Coloured	Asian
2005	61.3%	0.9%	52.1%	8.4%
2006	59.3%	0.8%	48.8%	6.3%
2007	58.7%	1.1%	44.9%	5.6%
2008	61.5%	1.6%	43.9%	6.5%
2009	63.7%	1.7%	40.9%	7.8%
2010	57.6%	1.1%	34.5%	4.4%
2011	51.1%	0.7%	29.6%	2.3%
2012	52.4%	0.6%	30.1%	2.3%
2013	53.3%	0.5%	30.3%	2.3%
2014	52.7%	0.4%	30.0%	2.1%
2015	55.8%	0.3%	31.9%	2.0%

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, the population group with the highest percentage of people living in poverty was the Coloured population group with a total of 52.1% people living in poverty, using the upper poverty line definition. The proportion of the Coloured population group, living in poverty, decreased by 20.2 percentage points, as can be seen by the change from 52.09% in 2005 to 31.90% in 2015. In 2015 55.80% of the African population group lived in poverty, as compared to the 61.29% in 2005. The White and the Asian population group saw a decrease in the percentage of people living in poverty, with a decrease of 0.575 and 6.45 percentage points respectively.

TABLE 16. PERCENTAGE OF PEOPLE LIVING IN POVERTY - SOL PLAATJE, DIKGATLONG, MAGARENG AND PHOKWANE,2015 [PERCENTAGE]

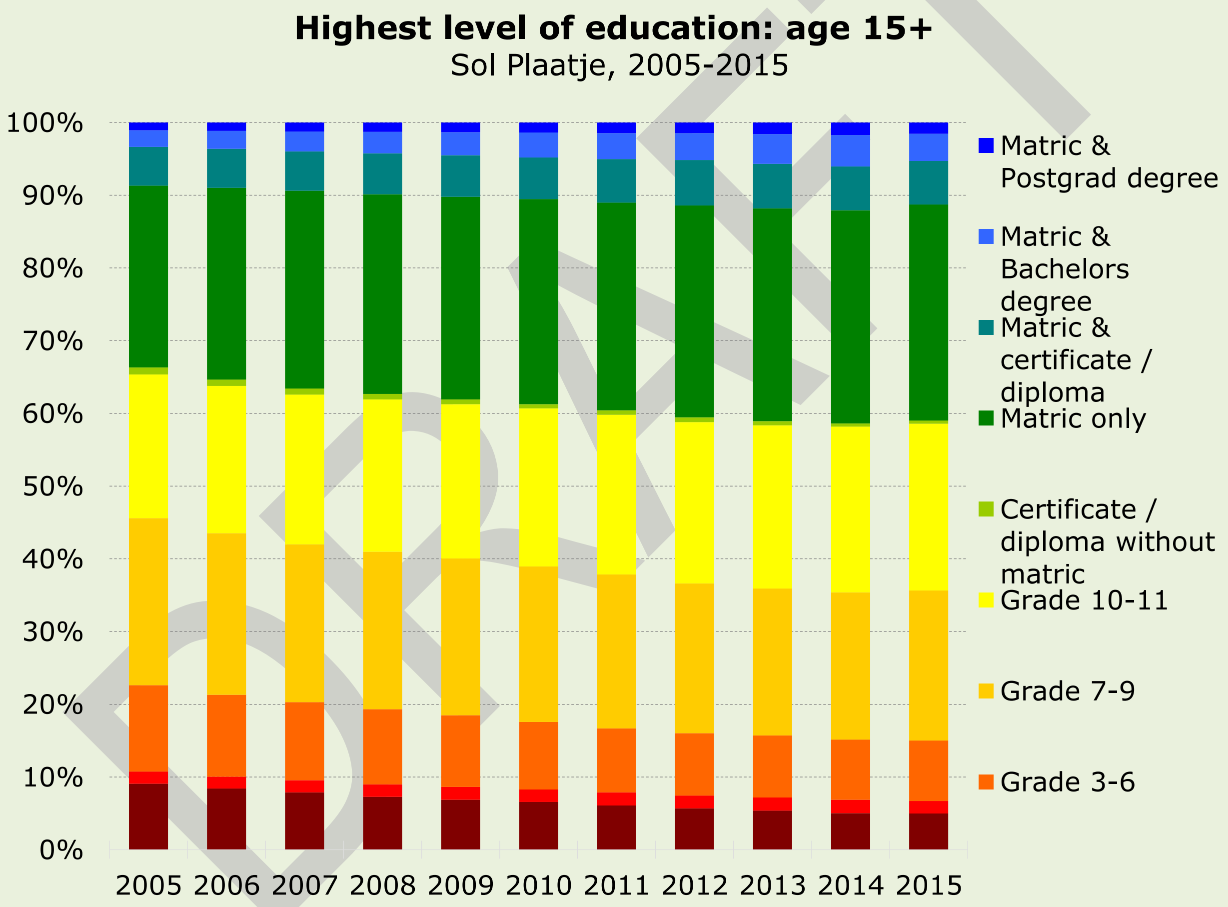


In terms of the percentage of people living in poverty for each of the regions within the Frances Baard District Municipality, Magareng Municipality has the highest percentage of people living in poverty, with a total of 54.8%. The lowest percentage of people living in poverty can be observed in the Dikgatlong Municipality with a total of 36.6% living in poverty, using the upper poverty line definition.

EDUCATION

Education is important to the economic growth in a country and the development of its industries, providing a trained workforce and skilled professionals required.

HIGHEST LEVEL OF EDUCATION: AGE 15+ - SOL PLAATJE LOCAL MUNICIPALITY, 2005-2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

Within Sol Plaatje Municipality, the number of people without any schooling decreased from 2005 to 2015 with an average annual rate of -3.43%, while the number of people within the 'matric only' category, increased from 32,100 to 49,200. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 3.65%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 7.82%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

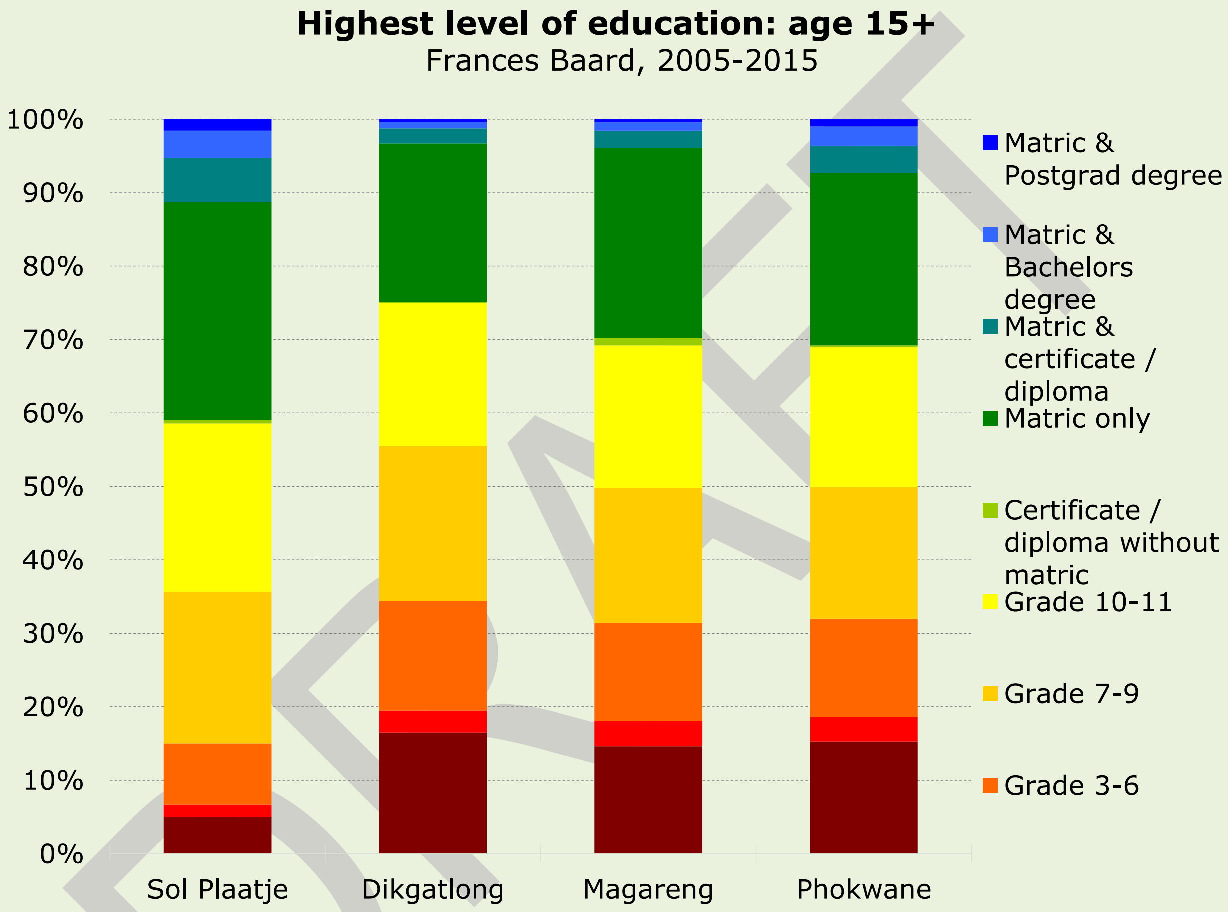
TABLE 17. HIGHEST LEVEL OF EDUCATION: AGE 15+ - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2015 [NUMBERS]

Level of Education	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
No schooling	8,240	20,400	68,200	2,370,000	*40.4%*	*12.1%*	*0.35%*
Grade 0-2	2,820	5,340	20,400	729,000	*52.9%*	*13.9%*	*0.39%*
Grade 3-6	13,800	24,700	97,100	3,170,000	*56.0%*	*14.2%*	*0.44%*
Grade 7-9	34,200	49,100	172,000	5,950,000	*69.6%*	*19.9%*	*0.57%*
Grade 10-11	38,000	53,000	149,000	7,780,000	*71.6%*	*25.4%*	*0.49%*
Certificate / diploma without matric	763	1,030	2,640	171,000	*73.8%*	*28.9%*	*0.45%*
Matric only	49,200	67,300	178,000	9,790,000	*73.1%*	*27.7%*	*0.50%*
Matric certificate / diploma	9,850	12,100	34,700	2,000,000	*81.5%*	*28.4%*	*0.49%*
Matric Bachelors degree	6,240	7,560	19,700	1,490,000	*82.5%*	*31.7%*	*0.42%*
Matric Postgrad degree	2,560	3,080	7,880	678,000	*83.3%*	*32.5%*	*0.38%*

Source: IHS Global Insight Regional eXplorer version 1029

The number of people without any schooling in Sol Plaatje Municipality accounts for 40.40% of the number of people without schooling in the district municipality, 12.08% of the province and 0.35% of the national. In 2015, the number of people in Sol Plaatje Municipality with a matric only was 49,200 which is a share of 73.14% of the district municipality's total number of people that has obtained a matric. The number of people with a matric and a Postgrad degree constitutes 82.51% of the district municipality, 31.67% of the province and 0.42% of the national.

TABLE 18. HIGHEST LEVEL OF EDUCATION: AGE 15+, SOL PLAATJE, DIKGATLONG, MAGARENG AND PHOKWANE 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

FUNCTIONAL LITERACY

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

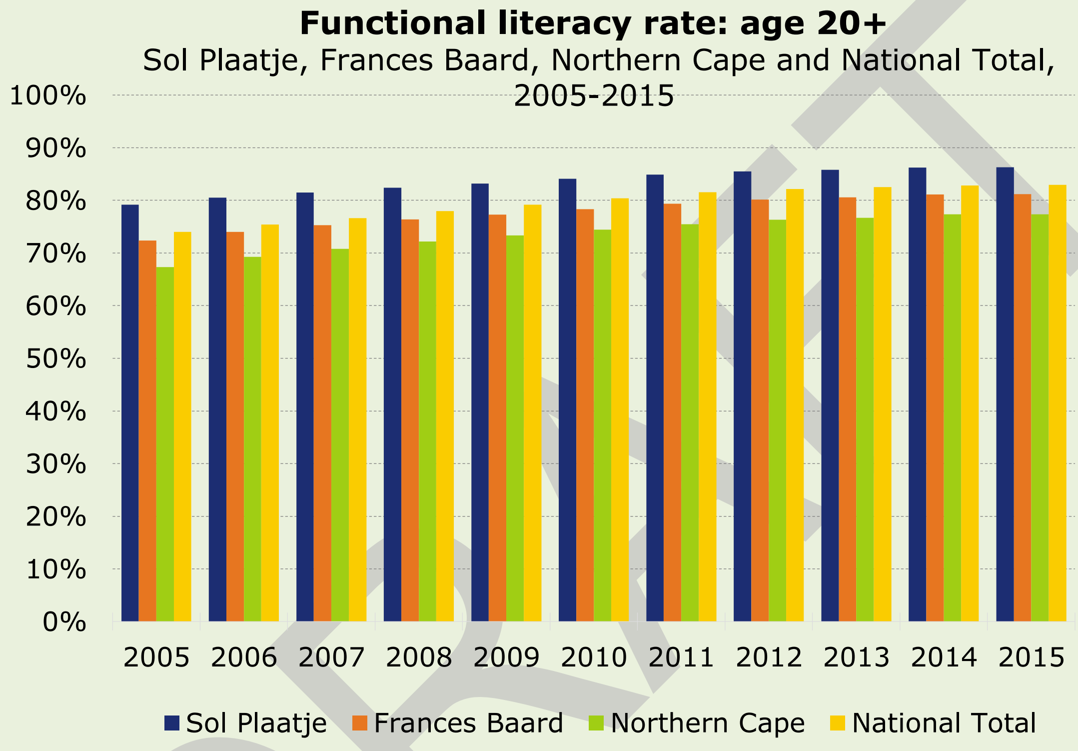
TABLE 19. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - SOL PLAATJE LOCAL MUNICIPALITY, 2005-2015 [NUMBER PERCENTAGE]

Period	Illiterate	Literate	%
2005	31,489	119,807	79.2%
2006	29,878	123,371	80.5%
2007	28,867	127,150	81.5%
2008	28,145	131,887	82.4%
2009	27,582	136,718	83.2%
2010	26,881	141,899	84.1%
2011	26,136	146,847	84.9%
2012	25,685	151,278	85.5%
2013	25,710	155,109	85.8%
2014	25,396	159,095	86.2%
2015	25,805	162,150	86.3%
Average Annual growth			
2005-2015	***-1.97***%	***3.07***%	***0.86***%

Source: IHS Global Insight Regional eXplorer version 1029

A total of 162,000 individuals in Sol Plaatje Municipality were considered functionally literate in 2015, while 25,800 people were considered to be illiterate. Expressed as a rate, this amounts to 86.27% of the population, which is an increase of 0.071 percentage points since 2005 (79.19%). The number of illiterate individuals decreased on average by -1.97% annually from 2005 to 2015, with the number of functional literate people increasing at 3.07% annually.

FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

Sol Plaatje Municipality's functional literacy rate of 86.27% in 2015 is higher than that of Frances Baard at 81.20%, and is higher than the province rate of 77.34%. When comparing to National Total as whole, which has a functional literacy rate of 82.93%, it can be seen that the functional literacy rate is lower than that of the Sol Plaatje Municipality.

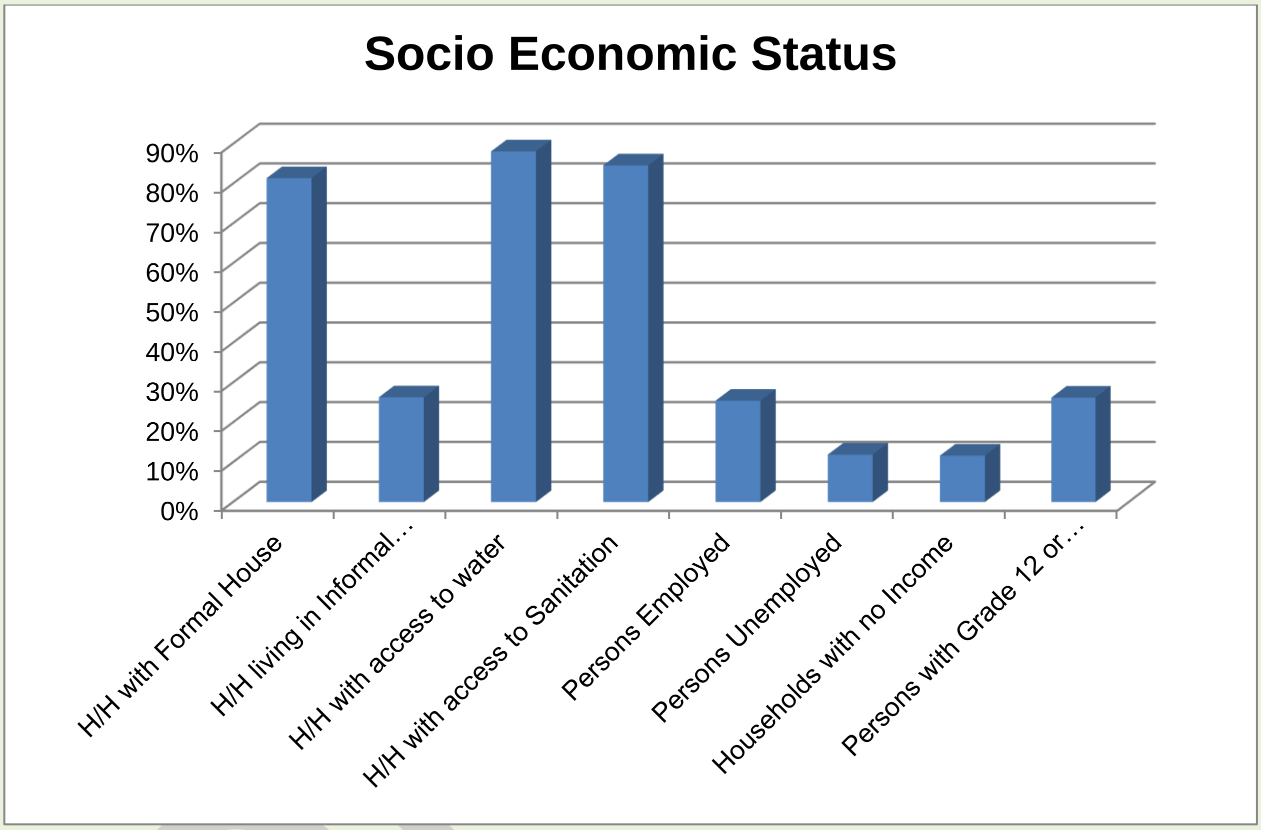
Year	Housing Backlog as a % of total households	Unemployment Rate	Proportion of Households with no Income	Proportion of Population in Low-skilled Employment	HIV/AIDS Prevalence	Illiterate people older than 14 years
2014/2015[1]	11,8%	31,9%	11,8%	15%	2.7%	8%
2015/2016						

Socio Economic Status 2014/2015							
H/H with Formal House	H/H living in Informal Settlements	H/H with access to water	H/H with access to Sanitation	Persons Employed	Persons Unemployed	H/H with no Income	Persons with Grade 12 or higher
81%	26%	88%	85%	25%	12%	12%	26%

PLEASE ADD IN INFORMATION FOR 2015/2016 IN BOTH TABLES, WHICH ARE ONLY REFLECTING 2013/2014

[1]Census 2011

Bar Chart on Socio Economic Status



PLEASE REDRAW A GRAPH WITH THE 2015/2016 INFORMATION. WHAT IS REFLECTED ABOVE IS FOR 2014/2015

1.3.5 Overview of Neighbourhoods within Sol Plaatje Municipality

TOTAL POPULATION

Population statistics are important when analysing an economy, as the population growth directly and indirectly impacts employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

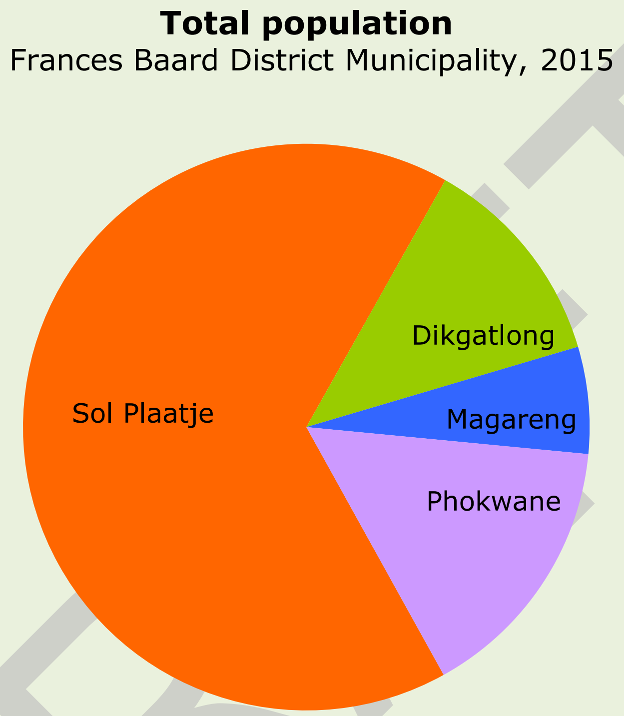
TABLE 20. TOTAL POPULATION - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2005-2015 [NUMBERS PERCENTAGE]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2005	209,000	330,000	1,020,000	47,200,000	*63.4%*	*20.4%*	*0.44%*
2006	211,000	332,000	1,030,000	47,800,000	*63.7%*	*20.5%*	*0.44%*
2007	215,000	335,000	1,040,000	48,400,000	*64.1%*	*20.6%*	*0.44%*
2008	220,000	341,000	1,060,000	49,100,000	*64.5%*	*20.8%*	*0.45%*
2009	226,000	348,000	1,080,000	49,800,000	*64.9%*	*20.9%*	*0.45%*
2010	232,000	356,000	1,100,000	50,700,000	*65.2%*	*21.1%*	*0.46%*
2011	238,000	364,000	1,120,000	51,500,000	*65.5%*	*21.3%*	*0.46%*
2012	244,000	371,000	1,140,000	52,400,000	*65.7%*	*21.4%*	*0.47%*
2013	250,000	379,000	1,160,000	53,200,000	*65.9%*	*21.5%*	*0.47%*
2014	255,000	386,000	1,180,000	54,100,000	*66.1%*	*21.7%*	*0.47%*
2015	260,000	393,000	1,200,000	54,900,000	*66.2%*	*21.8%*	*0.47%*
Average Annual growth							
2005-2015	***2.22*%**	***1.78*%**	***1.56*%**	***1.51*%**			

Source: IHS Global Insight Regional eXplorer version 1029

With 260,000 people, the Sol Plaatje Municipality housed 0.5% of South Africa's total population in 2015. Between 2005 and 2015 the population growth averaged 2.22% per annum which is slightly higher than the growth rate of South Africa as a whole (1.51%). Compared to Frances Baard's average annual growth rate (1.78%), the growth rate in Sol Plaatje's population at 2.22% was slightly higher than that of the district municipality.

TOTAL POPULATION - SOL PLAATJE AND THE REST OF FRANCES BAARD, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

POPULATION PROJECTIONS

Based on the present age-gender structure and the present fertility, mortality and migration rates, Sol Plaatje's population is projected to grow at an average annual rate of 1.9% from 260,000 in 2015 to 285,000 in 2020.

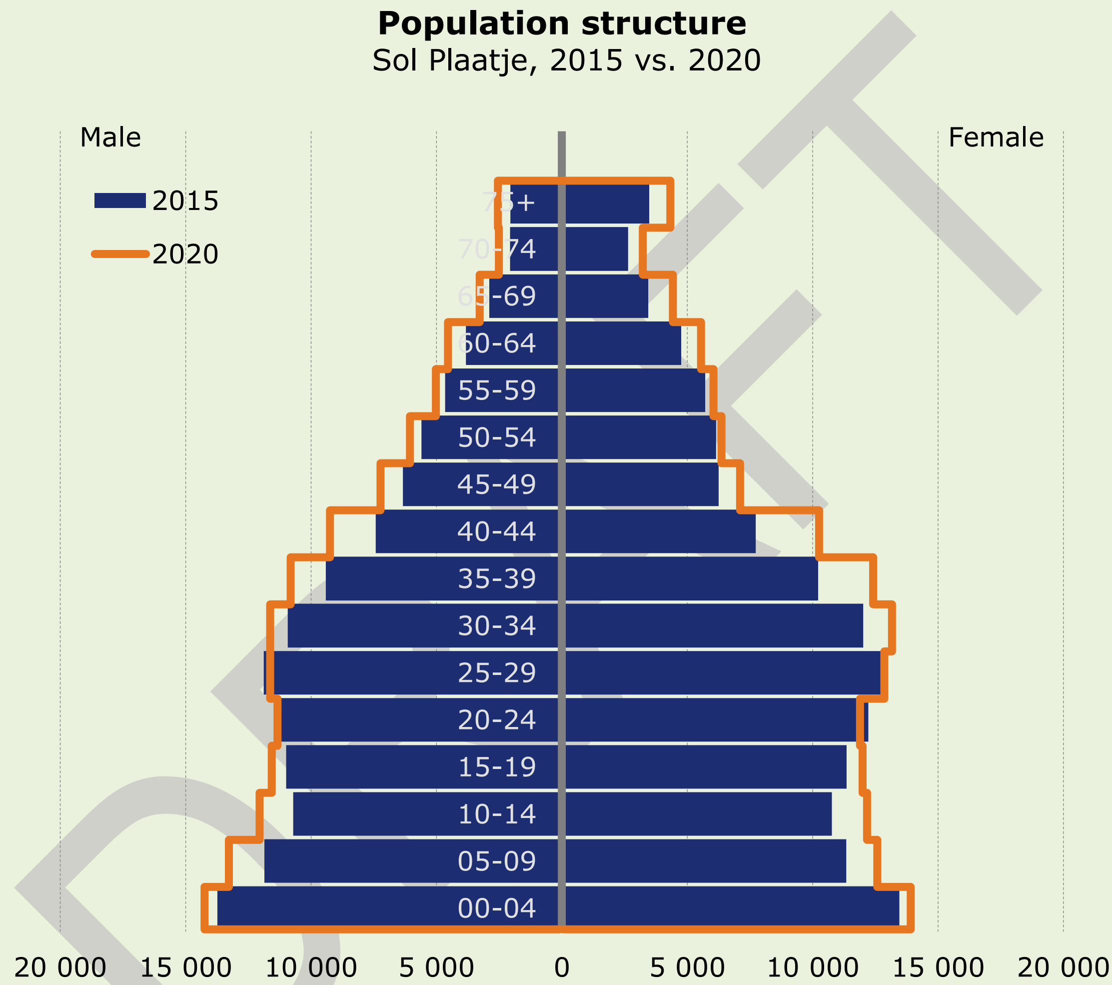
TABLE 21. POPULATION PROJECTIONS - SOL PLAATJE, FRANCES BAARD, NORTHERN CAPE AND NATIONAL TOTAL, 2015-2020 [NUMBERS PERCENTAGE]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2015	260,000	393,000	1,200,000	54,900,000	*66.2%*	*21.8%*	*0.47%*
2016	265,000	400,000	1,210,000	55,700,000	*66.3%*	*21.9%*	*0.48%*
2017	271,000	407,000	1,230,000	56,500,000	*66.5%*	*21.9%*	*0.48%*
2018	276,000	414,000	1,250,000	57,400,000	*66.6%*	*22.0%*	*0.48%*
2019	281,000	421,000	1,270,000	58,100,000	*66.6%*	*22.1%*	*0.48%*
2020	285,000	428,000	1,290,000	58,900,000	*66.7%*	*22.2%*	*0.48%*
Average Annual growth							
2015-2020	***1.85***%	***1.70***%	***1.46***%	***1.42***%			

Source: IHS Global Insight Regional eXplorer version 1029

When looking at the population projection of Sol Plaatje Municipality shows an estimated average annual growth rate of 1.9% between 2015 and 2020. The average annual growth rate in the population over the projection period for Frances Baard District Municipality, Northern Cape Province and South Africa is 1.7%, 1.5% and 1.4% respectively and is lower than that the average annual growth in Sol Plaatje Municipality.

POPULATION PYRAMID - SOL PLAATJE LOCAL MUNICIPALITY, 2015 VS. 2020 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

The population pyramid reflects a projected change in the structure of the population from 2015 and 2020. The differences can be explained as follows:

In 2015, there is a significantly larger share of young working age people between 20 and 34 (27.4%), compared to what is estimated in 2020 (25.4%). This age category of young working age population will decrease over time.

The fertility rate in 2020 is estimated to be slightly higher compared to that experienced in 2015.

The share of children between the ages of 0 to 14 years is projected to be slightly smaller (27.4%) in 2020 when compared to 2015 (27.6%).

In 2015, the female population for the 20 to 34 year age group amounts to 14.3% of the total female population while the male population group for the same age amounts to 13.2% of the total male population. In 2020, the male working age population at 12.1% does not exceed that of the female population working age population at 13.3%, although both are at a lower level compared to 2015.

POPULATION BY POPULATION GROUP, GENDER AND AGE

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into five-year cohorts, e.g. 0-4, 5-9, 10-13, etc.

TABLE 22. POPULATION BY GENDER - SOL PLAATJE AND THE REST OF FRANCES BAARD DISTRICT MUNICIPALITY, 2015 [NUMBER].

Municipal Area	Male	Female	Total
Sol Plaatje	126,000	135,000	260,000
Dikgatlong	23,800	24,400	48,200
Magareng	11,700	12,200	24,000
Phokwane	29,200	31,400	60,600
Frances Baard	**191,000**	**203,000**	**393,000**

Source: IHS Global Insight Regional eXplorer version 1029

Sol Plaatje Municipality's male/female split in population was 93.5 males per 100 females in 2015. The Sol Plaatje Municipality appears to be a fairly stable population with the share of female population (51.68%) being very similar to the national average of (51.09%). In total there were 134,000 (51.68%) females and 126,000 (48.32%) males. This is different from Frances Baard District Municipality as a whole where the female population counted 203,000 which constitutes 51.54% of the total population of 393,000.

TABLE 23. POPULATION BY POPULATION GROUP, GENDER AND AGE - SOL PLAATJE LOCAL MUNICIPALITY, 2015 [NUMBER].

Age Group	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	9,300	9,590	539	583	3,490	3,410	128	155
05-09	7,650	8,130	538	503	3,030	3,130	122	90
10-14	6,980	6,920	496	485	3,250	3,260	39	48
15-19	6,900	6,910	743	553	3,640	3,440	69	78
20-24	7,520	6,890	733	731	3,870	3,750	99	50
25-29	8,420	7,670	805	768	3,610	3,340	93	107
30-34	7,930	7,170	774	839	3,140	2,790	176	127
35-39	6,440	5,800	801	737	2,860	2,720	127	157
40-44	4,420	4,420	690	598	2,560	2,320	60	88
45-49	3,270	3,610	698	585	2,240	2,060	50	78
50-54	3,240	3,040	778	673	2,060	1,820	69	62
55-59	3,050	2,400	895	730	1,730	1,460	42	57
60-64	2,570	1,980	742	655	1,400	1,140	49	41
65-69	1,770	1,580	613	568	1,020	711	45	29
70-74	1,310	1,080	523	372	771	597	41	20
75+	1,670	866	963	607	801	535	57	46
Total	**82,500**	**78,100**	**11,300**	**9,990**	**39,500**	**36,500**	**1,260**	**1,230**

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, Sol Plaatje Municipality's population consisted of 61.67% African (160,000), 8.19% White (21,300), 29.18% Coloured (76,00) and 0.96% Asian (2,490) people.

The largest share of population is within the young working age (25-44 years) age category with a total number of 82,600 or 31.7% of the total population. The age category with the second largest number of people is the babies and children (0-14 years) age category with a total share of 27.6%, followed by the teenagers and youth (15-24 years) age category with 46,000 people.

1.3.6 Natural Resources

There are no natural resources within the Sol Plaatje Municipal area.

THIS COMMENT WAS QUESTIONED IN THE LAST REPORT AS THERE IS MINING ACTIVITY

1.3.7 Comment on Background Data

It is estimated that just over 63,000[2] people were employed by formal and informal sectors in the municipality – which represents 25% of the total population while 29,514 were unemployed (12%). The unemployment rate is relatively high at 31.9% - the youth unemployment rate is 41.7%.

The annual per capita income in Sol Plaatje Municipality is estimated at R40 500 which is substantially higher than the provincial average of R30 200. The distribution of income is unequal, and the Gini coefficient is therefore relatively high. In 2010 the Sol Plaatje Municipality had a Gini of 0.65. Between 2004 and 2010, income inequality remained stable and barely decreased which means that little improvement is seen in the income distribution. Over 7,000 (12% of the 60,270 households) do not have any income.

The total number of individuals with an education level higher than a matric certificate is 64,994 (26%) while 13,737 (23%) had no schooling at all. The total number of individuals having obtained a matric certificate without any other education was 47,578.

Sol Plaatje Municipality is committed towards ensuring a brighter future for all inhabitants in the region, and its investment strategies aim to enhance competitiveness and encourage sustainable growth that is inclusive. A stimulus should be created for the local economy to grow, compete and create more jobs. It is all about competitiveness, about enterprises thriving in competitive markets and locations with the aim to create sustainable employment at the local level. The main approach to do so is to ensure that:

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[2] Census 2011

1. STATSSA: Census 2011
2. IHS Global Insight: Economic, socio-economic and demographic status quo for Sol Plaatje Local Municipality, March 2012

- An environment and opportunities for more labour-absorbing economic activities is established;
- The fruits of growth are shared in such a way that poverty is largely eliminated; and
- Severe inequalities that still plague South Africa are considerably reduced.

Attracting private investors to Sol Plaatje Municipality – and assisting them in establishing and growing their businesses within the region – will ultimately result in the generation of income and wealth, as well as increased profit margins that invariably lead to more investment. Once the cycle of investment and positive returns on investment has been established within Sol Plaatje Municipality, the economic and socio-economic welfare of the entire community becomes a reality.

1.4 SERVICE DELIVERY OVERVIEW

1.4.1 Introduction to Service Delivery Overview

Sol Plaatje Municipality performs functions of both Water Services Authority (WSA) and Water Services Provider (WSP) in its area of jurisdiction. Thus, in terms of Section 27 of the Constitution and Section 11 of Water Services Act, Sol Plaatje Municipality has an obligation to ensure progressive access to quality and reliable water services to its communities, which is their right as enshrined in the Bill of Rights and Section 3 of Water Services Act. In terms of Water Services Act, these services must be provided progressively, efficiently, economically, sustainably and must be affordable to consumers.

Kimberley is an old city that was designed as a mining town which grew with time. Infrastructure is very old, retrofitted with time and buried under other structures with no accurate “as built” information. This poses a challenge with maintenance and upgrading of infrastructure for all basic services.

Generally, bulk infrastructure for water and electrical services is inadequate for long term future growth, and the existing capacity is impacted by condition due to ageing and poor maintenance. This requires major upgrading and refurbishment, while addressing capacity for future demand.

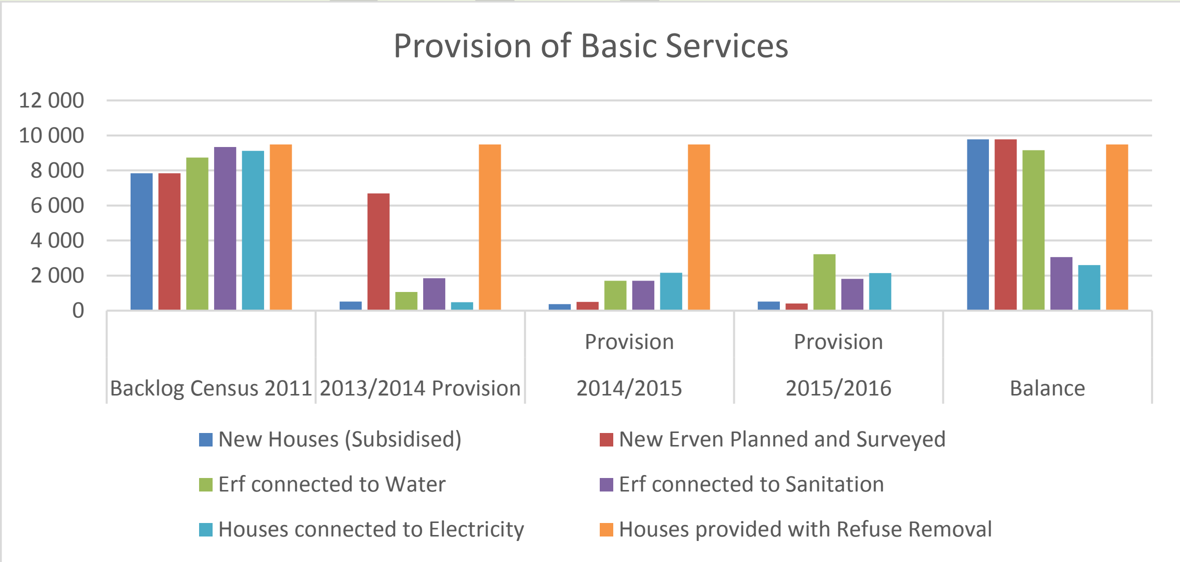
The minimum requirement in terms of water provision is that all households living in informal settlements be provided with stand taps at a distance of 200m. In this regard, the municipality has ensured that all households living in informal settlements have access to communal stand taps. This service is provided freely to all households living in informal settlements.

Electrification remains a challenge due to continuous growth of informal settlements on vacant land. Electrical infrastructure and electrification of houses cannot be installed in informal settlements prior to township establishment.

All these challenges are exacerbated by the availability of funding to timeously address challenges of maintenance, refurbishment, upgrading and development of new infrastructure at the same rate as demand and growth. With immigration to Sol Plaatje Municipality due to several factors, infrastructure improvement and development interventions are chasing a moving target, and funding sources are inadequate to catch up with the demand without impacting on affordability and economical provision of services.

Service	Backlog Census 2011	2013/2014 Provision	2014/2015 Provision	2015/2016 Provision	Balance
New Houses (Subsidised)	7,846	516	375	522	9,781
New Erven Planned and Surveyed	7,846	6,696	507	405	2,729
Erf connected to Water	8,743	1,067	1,710	3,222	9,161
Erf connected to Sanitation	9,343	1,854	1,710	1,821	3,065
Houses connected to Electricity	9,127	492	2,161	2,136	2,601
Houses provided with Refuse Removal	9,490	9,490	9,490	0	9,490

Graph depicting Proportion of Households with Access to Basic Services



1.4.2 Comment on Access to Basic Services

Although significant in-roads were made in eradicating backlogs in terms of access to services such as housing, water, sanitation, roads and solid waste as discussed above, various service backlogs still exist that need to be addressed.

Sol Plaatje Municipality, like any other secondary city, is faced with difficulty of:

- Addressing historical backlog with regard to adequate access to quality basic services
- Influx of people which increase demand for basic services additional to normal growth demand
- Achieving progressive development of services provided above basic level of service, whilst trying to address ageing infrastructure.

ELECTRICITY

The number of households not connected to electricity decreased from 4,737 in 2014/2015 to 2,601 in 2015/2016 due to the Diamond Park, Promised Land, Jacksonville and Phomolong Electrification Projects. However, this reduction is based on the actual Census 2011 figures and does not take into consideration the estimated growth of about 2,458 that is not reflected in the above backlog.

WATER

The minimum requirement in terms of water provision is that all households living in informal settlements be provided with stand taps at a distance of 200m. In this regard, the municipality has ensured that all households living in informal settlements have access to communal stand taps. This service is provided freely to all households living in informal settlements

ROADS & STORM WATER

There is currently no national policy defining basic level of service for roads serving households in residential areas. However, the Municipal Infrastructure Framework refers to all weather access to within 500m of dwelling"

In the context of Sol Plaatje Municipality, all dwellings have access to roads although some may not meet the above standard. Most roads within the municipality can be classified as being between fair to poor, with very few being in a very poor state, in exception of those that were recently resealed, re-gravelled or paved in the past three years or so. Excessive brittleness

and premature ageing are clearly visible due to extreme weather conditions and insufficient preventative maintenance over the years. However, paved roads in different township areas seem to be holding well over time, with very little maintenance demand.

SERVICE DELIVERY TO INDIGENTS

To be able to reach a far wider community and in assisting indigents and providing at least basic municipal services to the poor, the municipality consistently reviews and updates its indigent policy. The municipality regularly reviews its indigent verification criteria in order to maximise the number of indigent households receiving free basic services.

1.5 FINANCIAL HEALTH OVERVIEW

For the 2015/2016 year, Sol Plaatje Municipality has once again performed very well financially. A net profit of R256.09 million was realised for the period.

Financial Overview – 2015/2016			
Details	**Original budget**	**Adjustment Budget**	**Actual**
	R'000		
Revenue			
Grants received	231 063	290 851	275 943
Taxes, levies and tariffs	1 443 701	1 456 474	1 489 292
Other	138 733	167 509	180 236
Sub-total	1 813 497	1 914 834	1 945 471
Less Expenditure	(1 738 343)	(1 753 816)	(1 689 376)
Net operational surplus (deficit)	**75 154**	**161 018**	**256 095**

The key operating ratios are shown in the table below:

Operating Ratios		
Detail	**2016**	**2015**
Employee costs as a % of total expenditure	35.57%	30.65%
Repairs and maintenance as a % of total expenditure	7.12%	9.76%
Bulk Purchases as a % of total expenditure	26.87%	26.77%
Finance charges as a % of total expenditure	1.72%	2.02%
Debtors impairment as a % of total expenditure	9.45%	9.48%

In addition to this, the current ratio as at year-end was standing at 4.84:1 against a norm of 2:1. A cost coverage ratio of two months (the norm is one – three months) was achieved. This

is an indication that the municipality is liquid and able to meet its short to medium term obligations.

In terms of budget implementation, the municipality also performed extremely well. Total actual operating expenditure for the year amounted to 96% of the budgeted amount, whilst the actual revenue received represents 102% of the budgeted figure. The spending on the capital budget for the year amounted to 87% of the total capital budget. This reflects positively on the municipality's ability to produce a realistic, credible and funded budget.

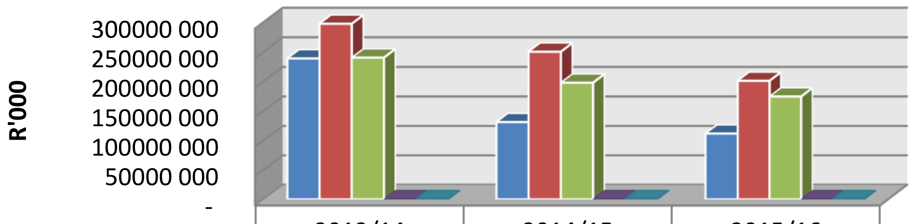
The main area of concern during this financial year remained the debtors' collection rate which was standing at 84% at year-end – this against a National Treasury norm of 95%. Specific and focused efforts are required to improve the collection rate in next financial periods in order to ensure financial sustainability of the municipality.

The cash flow situation of the Municipality on 30 June 2016 reflected that cash and cash equivalents reduced by R16.18 million from R275.47 million (2014/2015) to R259.28 million (2015/2016). See table below.

Detail	30 June 2013	30 June 2014	30 June 2015	30 June 2016
Cash and cash equivalents at year end	323 965 041	305 199 110	275 457 274	259 275 698

Diligent financial management is a pivotal element of any successful organisation. The municipality's financial results for the period therefore, is a reflection of the commitment of a dedicated finance team. As public servants, we strive towards continuous improvement within the ever-changing local government environment.

Total Capital Expenditure			
Description	2013/2014	2014/2015	2015/2016
	R'000		
Original Budget	238 867	131 182	111 709
Adjustment Budget	297 513	250 226	201 018
Actual Spent	240 295	197 907	174 542
Percentage Actual vs Original Budget	62.91%	99.75%	156.25%
Percentage Actual vs Adjustment Budget	69.36%	80.09%	86.83%



	2013/14	2014/15	2015/16
Original Budget	238867 338	131182 000	111708 601
Adjustment Budget	297513 289	250226 000	201017 993
Actual Spent	240294 831	197906 563	174542 344
Percentage Actual vs Original Budget	62.91%	99.75%	156.25%
Percentage Actual vs Adjustment Budget	69.36%	80.09%	86.83%

1.6 ORGANISATIONAL DEVELOPMENT OVERVIEW

As a municipality, we are striving to address developing our employees of the municipality. Our financial and administrative capacity to achieve in training objectives which could consequently have a detrimental impact on skills development due to limited funding from LGSETA to address the diverse skills needed within the municipality.

The following table provides a breakdown of training beneficiaries as a percentage of the total per group:

Employment Category	Total (Percentage)	
	2015/2016	2014/2015
Legislators	0	0
Directors and Corporate Managers	0.26	0.02
Professionals	3.71	0.04
Technicians and Trade Workers	9.81	0.16
Community and Personal Service Workers	9.23	0.35
Clerical and Administration Workers	9.23	0.10
Machine Operators and Drivers	32.09	0.01
Labourers	32.09	0.31

A breakdown of ABET attendance is as follows:

ABET Level 2	1
ABET Level 3	1
ABET Level 4	1

Summary of Beneficiaries Trained Data

Detail	2015/2016	2014/2015
Total number of Beneficiaries	184	324
Black beneficiaries as % of total beneficiaries	64	11
Total number of women beneficiaries	58	72
Women beneficiaries as % of total beneficiaries	31.5	23

The following information is indicative of the total number of beneficiaries receiving training:

Detail	2015/2016	2014/2015
Total number of beneficiaries	184	324
Beneficiaries as % of total workforce	11.54	15.55

The following table indicates the number of employees trained per course:

Training Course	No. of employees trained	
	2015/2016	2014/2015
ABET Level 2	1	0
ABET Level 3	1	0
ABET Level 4	1	0
Air Brakes	0	0
Aerial Platform Training	0	0
Assertiveness Training	0	0
Auto Electrical Training	0	0
Backhoe Loader Novice Operator Training	0	7
Basic Cleaning Principles	0	0
Basic Health and Safety	22	63
Basic Supervision	4	15
Batho Pele	0	0
Branding of Animals	0	0
Brush Cutter Operator	0	0
Business Plan Accredited Training	0	0
Call Centre Training	0	0
Cherry Picker	0	9
Code 10 Drivers Licence	0	2
CPMD	6	0
Competent Assessor Programme	0	0
Confined Space Entry Accredited Training	0	0
Contract Law for Project Managers and Engineers	0	0
Disciplinary Skills	0	0
Earthing and Lighting Protection	0	0
Effective Report Writing, Minute Taking and Excel	0	0
Employee Rights and Obligations	14	0
Evacuation Chair	0	9
Examiner of Driving Licence (Grade C)	0	0

Training Course	No. of employees trained	
	2015/2016	2014/2015
Examiner of Driving Licence (Grade D)	0	0
Examiner of Driving Licence (Grades A & B)	0	0
Examiner of Vehicles	0	0
Excavator Training	0	0
Excel Basic Training	0	0
Firearm Training (Level 1)	0	16
Firearm Training (Combination Manual)	4	10
Firearm Skills Instructor	0	0
First Aid Level 1 + 2	17	79
Gas welding	0	0
Hazardous Chemicals: Herbicide and Pesticide	0	0
Health and Safety Representative	14	0
Health and Safety Training for Supervisors	0	0
Hira Accredited Training	0	0
Human Resource Accredited Training	0	0
HV Regulations	0	0
Induction Training	9	16
Integrated Development Training	2	0
Job Access and Speech	0	0
Advanced Principles of Labour Law	0	4
Advance Petrochemical Fire Fighting	0	2
Assessor Training	7	8
Basic Principles of Labour Law	0	4
Bid Committee Training	0	4
Capacity building for Tourism Practitioners at Local Government	0	3
Certificate in Local Government Law and Administration Programme	0	18
Civil Designer Training	0	8
Competency to possess firearm, shotgun, handgun	0	1

Training Course	No. of employees trained	
	2015/2016	2014/2015
Finance for Non-Financial Managers	0	1
Misconduct Investigation and Report Writing	0	1
Moderator Training	7	8
Security Management Oxbridge Academy	0	1
K53 Learners Licence	17	0
Lawnmower Training	0	0
Mobile Truck Mounted Crane Training	0	12
MS Word 2010 Level 1	0	0
N2 Electrical Diploma	0	0
National Certificate: Water and Waste Water Treatment Process Operations	0	0
Peace Officer	0	0
Quality Insurance	0	0
Range Officer	0	0
Regulation 21	11	14
Ripple Control	0	0
Safety for Executives	0	0
Strategic Fleet and Transport Management	0	0
Safety, Health, Environment Representative	0	13
Tram Operator Training	0	6
Water and Waste Water: Operate a sand filter	0	0
Welding Low Hydrogen Rods	8	8
Workplace Communication	0	0

Most importantly training is crucial for organisational success. It is also valuable to employers and employees of the organisation and assist employees to become efficient and productive in their respective work environment.

Hence it is important for organisational development to constantly provide training to the employees of the municipality on two crucial factors:

- Ensuring that new employees in the municipality are given training; to familiarise them with the organisational mission, vision, rules and regulations, and working conditions.
- And also, the existing employees are trained to refresh and enhance their knowledge to enable them to render an effective service.

1.7 AUDITOR-GENERAL REPORT

Audit report status	Unqualified Audit Opinion
Audit Findings	None
Emphasis of matter paragraphs	
Restatement of corresponding figures	
Material losses and impairments	
Irregular expenditure	

1.8 STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	July 2016
2	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	August 2016
3	Finalise the fourth quarter Report for previous financial year	August 2016
4	Audit committee considers draft Annual Financial Statements, performance report and draft annual report of municipality and entities (where relevant)	26 August 2016
5	Municipal entities submit draft annual reports to MM	N/A
6	Submit draft year 2015/2016 Annual Report to Internal Audit and Auditor-General	31 August 2016
7	Auditor-General audits Annual Report including consolidated Annual Financial Statements and Performance data	November 2016
8	Municipalities receive and start to address the Auditor-General's comments	November 2016
9	Mayor tables the unaudited Annual Report	January 2017
10	Municipality submits the Annual Report including the audited annual financial statements and performance report to Auditor-General	February 2017
11	Annual Performance Report as submitted to Auditor-General to be provided as input to the IDP Analysis Phase	February 2017
12	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	January 2017
13	Audited Annual Report is made public and representation is invited	January/February 2017
14	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	February/March 2017
15	MPAC Committee assesses Annual Report	February/March 2017

No.	Activity	Timeframe
16	Council adopts Oversight report	31 March 2017
17	MPAC report is made public	14 April 2017
18	MPAC report is submitted to relevant provincial councils	17 April 2017

The municipality develops a process plan for the approval of the annual report. It is estimated that the timelines will be achieved, as this is key to management and MPAC.

The Annual Report will assist the municipal councillors, and officials as well as residents and other stakeholders with information and progress made on service delivery.

It is however important that it aligns with the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP), and in-year reports.

These reports should be used as decision-making tools by the municipalities.

The advantages of compiling an unaudited Annual Report in August (as per the time frame in the above table) is that it can be used to influence the strategic objectives indicated in the IDP for the next financial year as well as the related budgetary requirements.

An unaudited Annual Report submitted in August will further provide the Municipality with an opportunity to review the functional areas that received attention during the current financial year and take the necessary corrective actions to align the IDP and budget to other priority areas needing attention.

It is vital to align the IDP, Budget and Performance Management systems to ensure the achievement of the municipality's strategic objectives:

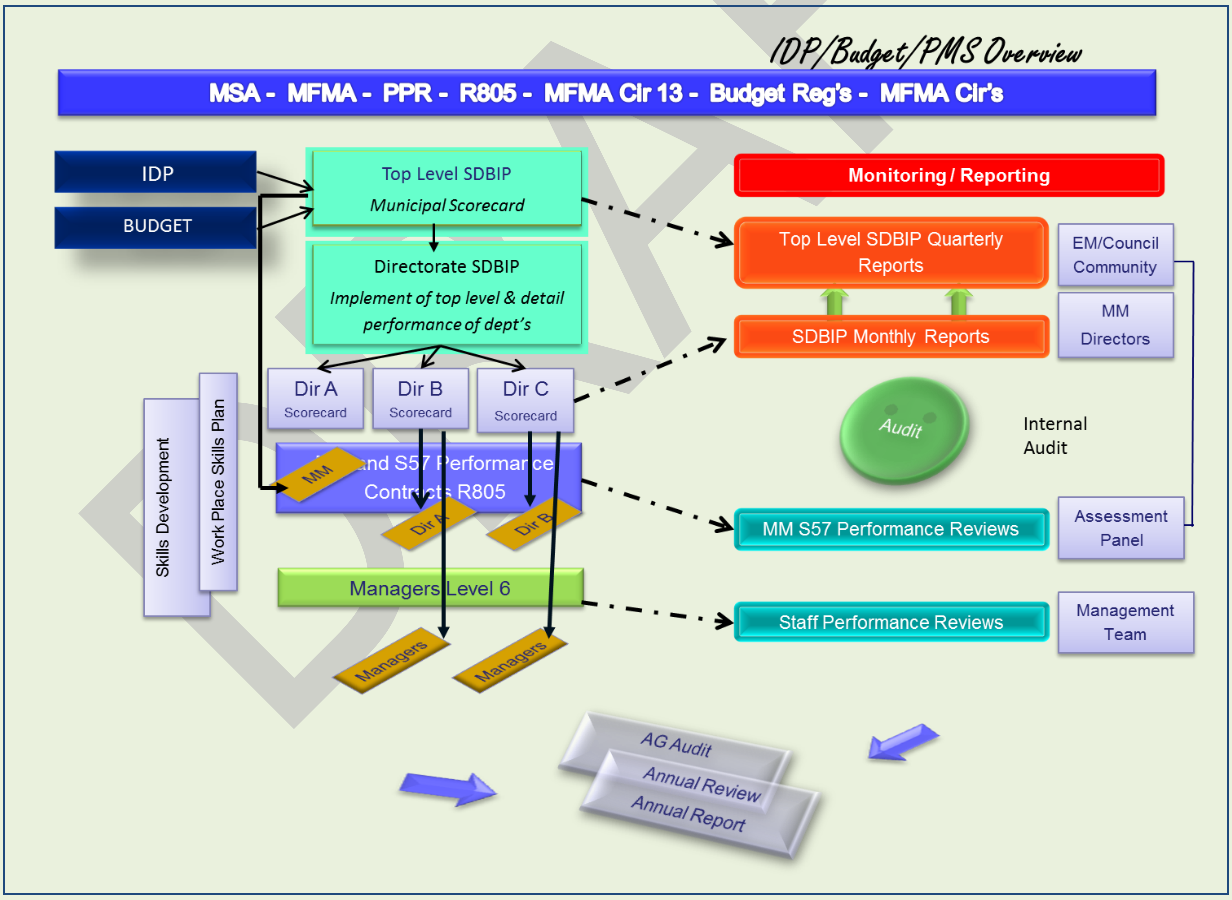
- The IDP sets out the vision, objectives/goals and development plans of the municipality. It is presented to Council who adopts it and undertakes an annual review and assessment of performance.

- The IDP informs the budget. The budget sets out the revenue raising and expenditure plan for approval by Council.

- The budget informs the SDBIP which lays the basis for the performance agreements of the Municipal Manager and senior management. (The Performance Management System.)

The IDP review is informed by changing policy imperatives and circumstances – described in an accompanying performance evaluation. The evidence of this is obtained from the mid-year Budget and Performance Review (documents presented to Council) in terms of Section 72 of the MFMA and also in the Annual Report in terms of Section 121 (Annual financial and performance reports) tabled to Council. The municipality must also prepare an annual performance report which must form part of the Annual Report for each financial year in accordance with the Municipal Systems Act 2000 (MSA) Section 46, and the Municipal Finance Management Act 2003 (MFMA) Section 121.

This process as implemented by the Sol Plaatje Municipality is indicated in the following diagram:



Chapter 2

CHAPTER 2 – GOVERNANCE

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

During the reporting period Sol Plaatje Municipality was governed by an executive mayoral system in order to assist with the achievement of clean audit status. Adequate provision is made in the system of delegations and sub-delegations to ensure the effective, efficient and accountable functioning of Council, the Political Executive of Council, and the Municipal Manager as Chief Accounting Officer as well as the Executive Directors as executors of policy and service delivery. The Office of the Speaker who is responsible to ensure smooth function of Council and its committees underpins the functioning of Council.

The governance model consists of Section 80 and 79 committees.

In terms of the Section 80 of the Municipal Structures Act, the under-mentioned committees assist the Executive Mayor in execution of duties and have no binding decision making powers. The ten members of the Mayoral Committee are the chairpersons of the Section 80 committees:

IDP, Budget and Performance Management System

Finance

Utility Services

Transport, Roads and Storm Water

Corporate Services and Human Resources

Human Settlement

Community Services

Safety and Security Services

Intergovernmental and International Relations and Customer Care

Economic Development, Urban Renewal and Tourism.

Chapter 2

In terms of Section 79 of the Municipal Structures Act, Section 62 of the Municipal Systems Act and Section 66 of the Municipal Finance Management Act, 2003 (MFMA), Council must establish the under-mentioned committees to perform certain functions that are directly accountable to Council and consists of non-executive councillors:

Disciplinary

Rules

Ward Participatory

General Appeals

Spatial Planning, Environment and Land Use Management (SPELUM)

Municipal Public Accounts Committee (MPAC)

In terms of Section 166 of the MFMA, the Audit Committee exists within Council. MPAC adopts the responsibilities of the Oversight Committee by reviewing the Auditor-General's annual report and, on own initiative or Council instruction, investigates and advises Council of unauthorised, irregular, fruitless and/or wasteful expenditure in terms of Section 32(2) of the MFMA. The Audit Committee and MPAC work in close co-operation and MPAC reports to Council at least quarterly. The Oversight Report is published separately in accordance with MFMA guidance.

2.1.1 Political Structure

EXECUTIVE MAYOR

Kagisho David Molusi (to 3 August 2016)

Octavious Mangaliso Matika (from 19 August 2016)

SPEAKER

Octavious Mangaliso Matika (to 3 August 2016)

Elizabeth Johnson (from 19 August 2016)

CHIEF WHIP

Zwelendyebo John Mpampi (to 3 August 2016)

Winter Keetile (from 19 August 2016)

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE (to 3 August 2016)

1. Cllr V Settley, Chairperson Human Settlement Services
2. Cllr EM Mathe, Chairperson Corporate Services & Human Resources
3. Cllr MP Thabane, Chairperson Economic Development, Urban Renewal & Tourism
4. Cllr MV Diraditsile, Chairperson Finance
5. Cllr FF Matsio, Chairperson Community Services
6. Cllr WN Ngobeza, Chairperson IDP, Budget & PM
7. Cllr MG Nhlapo, Chairperson Inter-Governmental & International Relations
8. Cllr A Ntlhangula, Chairperson Safety & Security
9. Cllr E Johnson, Chairperson Transport, Roads & Storm Water
10. Cllr MD Lekoma, Chairperson Utility Services

MAYORAL COMMITTEE/ EXECUTIVE COMMITTEE (from 15 September 2016)

1 Cllr OB Plaatje, Chairperson Human Settlement Services
2 Cllr F Kruger, Chairperson Corporate Services & Human Resources
3 Cllr M Moshweu, Chairperson Economic Development, Urban Renewal & Tourism
4 Cllr OE Matshedisho, Chairperson Finance
5 Cllr M Meintjies Chairperson Community Services
6 Cllr R Morwe, Chairperson IDP, Budget & PM
7 Cllr A Boqo, Chairperson Inter-Governmental & International Relations
8 Cllr LP Meleng, Chairperson Safety & Security
9 Cllr D Chinkuli, Chairperson Transport, Roads & Storm Water
10 Cllr S Mpampi, Chairperson Utility Services

2.1.2 Councillors

Total Number of Councillors... 62

31 Ward Councillors...ANC x 22; DA x 9

31 Proportional Councillors.......................ANC x 18; DA x 7; COPE x 5; ACDP x 1

Gender: Male... 40

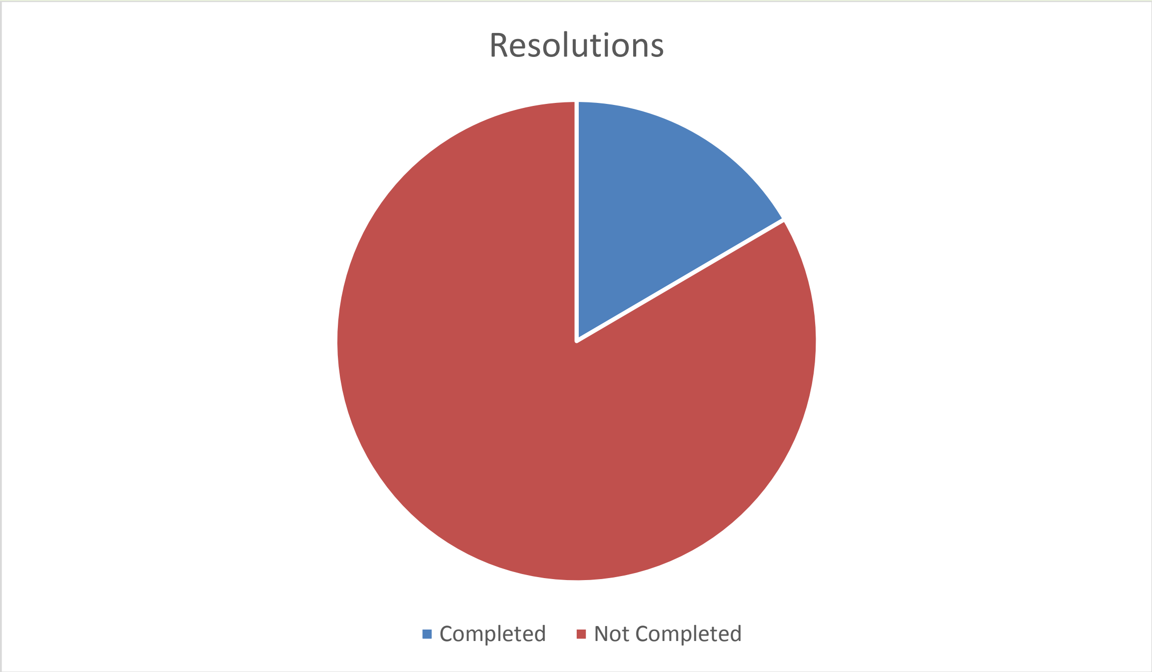
Female.. 22

- Refer to **Appendix A** for a full list of Councillors (including committee allocations and attendance at council meetings).
- Refer to **Appendix B** for committees and committee purposes.

2.1.3 Political Decision-taking

Political decisions are guided by the new governance model consisting of:

1. Section 79 committees recommend matters directly to Council for approval.
2. Section 80 committees that are advisory committees to the Executive Mayor who has been delegated certain executive decision making powers. The Executive Mayor can either note matters and report such to Council, or resolve on matters and report to Council or to recommend matters to Council for approval.


Resolutions
Completed
Not Completed

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1844	167/08/15	Municipal Manager	05-Aug-15	EM226/07/15: The creation of a unit for Intergovernmental and International Relations		R	Not completed and overdue
RES1927	C01/01/16	Executive and Council	27-Jan-16	Tabling of Annual Report 2014/2015		R	Not completed and overdue
RES1928	C02/01/16	Executive and Council	27-Jan-16	Tabling of the Mid-year Budget and Performance Assessment		R	Not completed and overdue
RES1929	C03/01/16	Executive and Council	27-Jan-16	Second Quarter Budget and Performance Assessment report (Section 52 (d))		R	Not completed and overdue
RES1930	C04/01/16	Financial Services	27-Jan-16	Adoption of Upper Limits Gazette No. 39548		R	Not completed and overdue
RES1931	C05/02/16	Infrastructure and Services	03-Feb-16	C214/10/15: Illegal mining at De Beers Stadium and Kenilworth Cemetery		R	Not completed and overdue
RES1932	C06/02/16	Municipal Manager	03-Feb-16	C215/10/15: 2030 Strategic Plan		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1933	C07/02/16	Strategy and Economic Development	03-Feb-16	C220/10/15: C190/08/15: SPL109/07/15: Proposed lease of a portion of portion 91 of the farm Bultfontein 80, Kimberley		R	Not completed and overdue
RES1934	C08/02/16	Strategy and Economic Development	03-Mar-16	C221/10/15: C191/08/15: SPL110/07/15: SPL04/02/15: SPL153/11/14: C44/04/13: SPL10/02/13: Proposed alienation of a portion of Remainder of Erf 1 Kimberley, Oliver Road, Fabricia		R	Not completed and overdue
RES1935	C09/02/16	Strategy and Economic Development	03-Mar-16	C237/10/15: SPL116/08/15: SPL81/07/15: Process of Dealing with Illegal Land Use and Fines Thereof		R	Not completed and overdue
RES1936	C10/02/16	Strategy and Economic Development	03-Mar-16	C237/10/15: SPL119/08/15: SPL95/07/15: Proposed lease of a portion of Erf 24382 Galeshewe, Soul City		R	Not completed and overdue
RES1937	C11/02/16	Strategy and Economic Development	03-Feb-16	C237/10/15: SPL121/08/15: C246/11/14: SPL127/09/14: Sol Plaatje Municipality Policy on Land and Other Immovable Capital Assets		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1938	C12/02/16	Infrastructure and Services	03-Feb-16	C237/10/15: SPL122/08/15: Proposed subdivision, rezoning and alienation of Erf 25104 Kimberley (Greenpoint Multi-purpose Centre)		R	Not completed and overdue
RES1939	C13/02/16	Strategy and Economic Development	03-Feb-16	C237/10/15: SPL123/08/15: Proposed Subdivision of Erf 5431 Kimberley, 12 Sadler Street, West End.		R	Not completed and overdue
RES1940	C14/02/16	Strategy and Economic Development	03-Feb-16	C237/10/15: SPL124/08/15: Proposed Rezoning and Removal of Restrictive Title Deed Conditions By Means of Notarial Agreement i.r.o. Erf 19645 Kimberley, 18 Lawson Street, New Park.		R	Not completed and overdue
RES1941	C15/02/16	Strategy and Economic Development	03-Feb-16	C237/10/15: SPL125/08/15: Proposed Subdivision of Portion 93 of the Farm Bultfontein No.80 Kimberley, N12 Road.		R	Not completed and overdue
RES1833	C156/08/15	Corporate Services	05-Aug-15	C102/06/15: C34/04/15: C19/03/15: EM54/01/15: FIN129/12/14: Reviewed Organogram		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1834	C157/08/15	Executive and Council	05-Aug-15	Items Noted by Executive Mayor: 15-07-15 â" Items 1 to 58		R	Not completed and overdue
RES1835	C158/08/15	Executive and Council	05-Aug-15	EM163/06/15: EM148/05/15: Report-back on Site visit: 25 May 2015		R	Not completed and overdue
RES1836	C159/08/15	Community and Social Development Services	05-Aug-15	EM170/07/15: COM14/03/15: Request for outstanding reports		R	Not completed and overdue
RES1942	C16/02/16	Strategy and Economic Development	03-Feb-16	C237/10/15: SPL126/08/15: Proposed Rezoning i.r.o. Erf 16173 Kimberley, 70 MacDougall Street, Royldene.		R	Not completed and overdue
RES1837	C160/08/15	Municipal Manager	05-Aug-15	EM228/07/15: Report on the Local Government Commonwealth Conference		R	Not completed and overdue
RES1838	C161/08/15	Executive and Council	05-Aug-15	EM229/07/15: Report on Executive Mayoral visit to Hunan China		R	Not completed and overdue
RES1839	C162/08/15	Financial Services	05-Aug-15	EM209/07/15: FIN33/06/15: Indigents Debt Write-off Report: February 2015		R	Not completed and overdue
RES1840	C163/08/15	Financial Services	05-Aug-15	EM210/07/15: FIN34/06/15: Indigents Debt Write-off Report: March 2015		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1841	C164/08/15	Financial Services	05-Aug-15	EM211/07/15: FIN35/06/15: Indigents Debt Write-off Report: April 2015		R	Not completed and overdue
RES1842	C165/08/15	Municipal Manager	05-Aug-15	EM214/07/15: FIN40/06/15: Signing authority on Sol Plaatje Bank Accounts		R	Not completed and overdue
RES1843	C166/08/15	Infrastructure and Services	05-Aug-15	EM217/07/15: TRAN07/06/15: Report: Brick Making Project		R	Not completed and overdue
RES1845	C168/08/15	Executive and Council	05-Aug-15	EM230/07/15: The Creation of a Pilot Unit for Youth Development		R	Not completed and overdue
RES1943	C17/02/16	Strategy and Economic Development	03-Feb-16	C237/10/15: SPL127/08/15: Proposed Subdivision of Erf 15029 Kimberley, 22 Delheim Avenue, Royldene		R	Not completed and overdue
RES1851	C174/08/15	Strategy and Economic Development	05-Aug-15	SPL90/07/15: Conditional Approvals Granted by Sol Plaatje Municipality In Relation to Mining and Prospecting Rights.		R	Not completed and overdue
RES1944	C18/02/16	Strategy and Economic Development	03-Feb-16	C237/10/15: SPL128/08/15: Proposed Rezoning i.r.o. Erf 22975 Kimberley, 15 Montagu Avenue, Cassandra.		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1945	C19/02/16	Strategy and Economic Development	03-Feb-16	C237/10/15: SPL130/08/15: Proposed Consent Use of Erf 30543 Kimberley, 5 Nooitgedacht Avenue, Roylglen		R	Not completed and overdue
RES1873	C196/08/15	Municipal Manager	05-Aug-15	SPL115/07/15: Sol Plaatje Municipality Land Use Management By-law in terms of SPLUMA (Spatial Planning and Land Use Management Act 16 of 2013)		R	Not completed and overdue
RES1874	C197/08/15	Financial Services	05-Aug-15	MPAC43/06/15: Submission of Section 71 Monthly Budget Report		R	Not completed and overdue
RES1875	C198/08/15	Financial Services	05-Aug-15	MPAC44/06/15: Submission of Annual Report 2013/14 â" with corrections		R	Not completed and overdue
RES1876	C199/08/15	Financial Services	05-Aug-15	MPAC48/07/15: Submission of Section 71 Monthly Budget Report		R	Not completed and overdue
RES1946	C20/02/16	Strategy and Economic Development	03-Feb-16	C237/10/15: SPL131/08/15: Proposed Removal of Restrictive Title Deed Conditions and Rezoning i.r.o. Erf 4184 Kimberley, 5 Swanns Way, Hadison Park		R	Not completed and overdue
RES1877	C200/08/15	Financial Services	05-Aug-15	MPAC49/07/15: OPCAR 2015		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1878	C201/08/15	Municipal Manager	05-Aug-15	Oversight Role of Council: Supply Chain Management Policy 2014/15		R	Not completed and overdue
RES1879	C202/08/15	Financial Services	05-Aug-15	Correction of Table A7 Budgeted Cash Flow for the 2015/16 MTREF		R	Not completed and overdue
RES1880	C203/08/15	Financial Services	05-Aug-15	Submission of the Final Budget Benchmark Exercise Report â" Tabled Budget for 2015/16 MTREF		R	Not completed and overdue
RES1881	C204/08/15	Executive and Council	05-Aug-15	Motion by Cllr Liebenberg (DA)		R	Not completed and overdue
RES1882	C205/08/15	Executive and Council	05-Aug-15	Motion by Cllr W P Doman (DA)		R	Not completed and overdue
RES1883	C206/08/15	Executive and Council	05-Aug-15	Motion by Cllr P J Vorster (DA)		R	Not completed and overdue
RES1884	C207/08/15	Community and Social Development Services	05-Aug-15	SAMSRA National Games: Kimberley, Northern Cape		R	Not completed and overdue
RES1886	C208/08/15	Executive and Council	05-Aug-15	Fourth Quarter Budget and Performance Assessment Report		R	Not completed and overdue
RES1885	C209/08/15	Municipal Manager	05-Aug-15	Status of the ED: Community & Social Development Services (K A Bogacwi)		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1947	C21/02/16	Strategy and Economic Development	03-Feb-16	C237/10/15: SPL132/08/15: Proposed Rezoning of Erf 35771 Kimberley, O'Meara and Reginald De Villiers Drive, Monument Heights		R	Not completed and overdue
RES1887	C210/08/15	Municipal Manager	27-Aug-15	Tabling of the Upper Limits of Total Remuneration Package payable to Municipal Managers and Managers directly accountable to Municipal Managers		R	Not completed and overdue
RES1888	C211/08/15	Financial Services	27-Aug-15	Approval of Electricity Tariffs â" NERSA		R	Not completed and overdue
RES1889	C212/08/15	Financial Services	27-Aug-15	Tabling of the Process Plan		R	Not completed and overdue
RES1890	C213/08/15	Financial Services	27-Aug-15	Authorisation of unauthorised expenditure for the year ended 30 June 2015		R	Not completed and overdue
RES1892	C214/10/15	Executive and Council	14-Oct-15	Illegal Mining at De Beers Stadium and Kenilworth Cemetery.		R	Not completed and overdue
RES1893	C215/10/15	Executive and Council	14-Oct-15	2030 Strategic Plan.		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1894	C216/10/15	Corporate Services	14-Oct-15	C102/06/15: C34/04/15: C19/03/15: EM54/01/15: FIN129/12/14: Reviewed Organogram.		R	Not completed and overdue
RES1895	C217/10/15	Infrastructure and Services	14-Oct-15	C166/08/15: EM217/07/15: TRAN07/06/15: Report: Brick Making Project.		R	Not completed and overdue
RES1896	C218/10/15	Municipal Manager	14-Oct-15	C167/08/15: The Creation of a Unit for Intergovernmental and International Relations.		R	Not completed and overdue
RES1897	C219/10/15	Executive and Council	14-Oct-15	C168/08/15: EM230/07/15: The Creation of a Pilot Unit for Youth Development.		R	Not completed and overdue
RES1948	C22/02/16	Executive and Council	03-Feb-16	Items Noted by Executive Mayor:		R	Not completed and overdue
RES1898	C220/10/15	Strategy and Economic Development	14-Oct-15	C190/08/15: SPL109/07/15: Proposed lease of a portion of portion 91 of the farm Bultfontein 80, Kimberley.		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1899	C221/10/15	Strategy and Economic Development	14-Oct-15	C191/08/15: SPL110/07/15: SPL04/02/15: SPL153/11/14: C44/04/13: SPL10/02/13: Proposed alienation of a portion of Remainder of Erf 1 Kimberley, Oliver Road, Fabricia.		R	Not completed and overdue
RES1900	C222/10/15	Executive and Council	14-Oct-15	C204/08/15: Motion by Cllr Liebenberg (DA).		R	Not completed and overdue
RES1901	C223/10/15	Executive and Council	14-Oct-15	C205/08/15: Motion by Cllr W P Doman (DA).		R	Not completed and overdue
RES1902	C224/10/15	Executive and Council	14-Oct-15	Items 1 â" 26 Noted by Executive Mayor at the Mayco meeting dd 19-08-15.		R	Not completed and overdue
RES1903	C225/10/15	Executive and Council	14-Oct-15	Items 1 â" 22 Noted by Executive Mayor at the Mayco meeting dd 15-09-15.		R	Not completed and overdue
RES1904	C226/10/15	Executive and Council	14-Oct-15	EM234/08/15: HS23/06/15: HS10/03/15: Report â" back re Hostel Rectifications.		R	Not completed and overdue
RES1905	C227/10/15	Strategy and Economic Development	14-Oct-15	EM235/08/15: HS24/06/15: Building Services Section report: January 2015 â" March 2015.		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1906	C228/10/15	Community and Social Development Services	14-Oct-15	EM242/08/15: SS11/07/15: Traffic Services: Monthly Report: April 2015.		R	Not completed and overdue
RES1907	C229/10/15	Strategy and Economic Development	14-Oct-15	EM262/08/15: ECN48/07/15: The Droogfontein Solar Power Economic Development Programme.		R	Not completed and overdue
RES1949	C23/02/16	Infrastructure and Services	03-Feb-16	EM300/10/15: HS26/09/15: HS19/06/15: Role & Responsibility Clarification of Housing Unit Officials	- Executive Mayor met with MEC in beginning of March 2016 to discuss the matter. Still pending (Updated by Joey van Niekerk on 07-Mar-2016 16:12.)	R	Not completed and overdue
RES1908	C230/10/15	Financial Services	14-Oct-15	EM270/09/15: R250 Deposit Payable.		R	Not completed and overdue
RES1909	C231/10/15	Corporate Services	14-Oct-15	EM271/09/15: Organogram.		R	Not completed and overdue
RES1910	C232/10/15	Municipal Manager	14-Oct-15	EM272/09/15: Non-attendance of councillors at committee meetings.		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1911	C233/10/15	Strategy and Economic Development	14-Oct-15	EM282/09/15: ECN54/08/15: Getaway Show 2015.		R	Not completed and overdue
RES1912	C234/10/15	Strategy and Economic Development	14-Oct-15	EM283/09/15: ECN55/08/15: Report on Media Tour.		R	Not completed and overdue
RES1913	C236/10/15	Financial Services	14-Oct-15	EM253/08/15: FIN57/07/15: Indigents Debt Write-off Report:		R	Not completed and overdue
RES1914	C237/10/15	Strategy and Economic Development	14-Oct-15	It was resolved that all the SPELUM matters be deferred to a Special Council meeting		R	Not completed and overdue
RES1915	C238/10/15	Financial Services	14-Oct-15	M-SCOA Update and Financial System Upgrade		R	Not completed and overdue
RES1916	C239/10/15	Executive and Council	14-Oct-15	Tabling of Annual Report 2015.		R	Not completed and overdue
RES1950	C24/02/16	Strategy and Economic Development	03-Feb-16	EM301/10/15: HS27/09/15: HS20/06/15: Urban Planning Progress Report: Diamant Park Settlement Area.		R	Not completed and overdue
RES1917	C240/10/15	Municipal Manager	14-Oct-15	Reporting of Deviations from Procurement Process		R	Not completed and overdue
RES1918	C241/10/15	Executive and Council	14-Oct-15	Report: Nelson Mandela Ad Hoc Committee.		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1919	C242/10/15	Municipal Manager	14-Oct-15	Employee Related Matter		R	Not completed and overdue
RES1920	C243/10/15	Corporate Services	14-Oct-15	Questions by Cllr W P Doman.		R	Not completed and overdue
RES1921	C244/10/15	Executive and Council	14-Oct-15	Motion by Cllr Liebenberg (DA).		R	Not completed and overdue
RES1922	C245/11/15	Strategy and Economic Development	12-Nov-15	1. C220/10/15: C190/08/15: SPL109/07/15: Proposed lease of a portion of portion 91 of the farm Bultfontein 80, Kimberley.		R	Not completed and overdue
RES1923	C246/11/15	Municipal Manager	12-Nov-15	Report on the Extended Public Works Programme EPWP		R	Not completed and overdue
RES1924	C247/11/15	Municipal Manager	12-Nov-15	EM319/10/15: Salary increases		R	Not completed and overdue
RES1925	C248/11/15	Municipal Manager	12-Nov-15	C242/10/15: Employee Related Matter		R	Not completed and overdue
RES1926	C249/11/15	Executive and Council	12-Nov-15	Charge Against Councillor		R	Not completed and overdue
RES1951	C25/02/16	Strategy and Economic Development	03-Feb-16	EM304/10/15: HS30/09/15: HS21/06/15: Interaction with Various Directors Regarding Jacksonville		R	Not completed and overdue
RES1952	C26/02/16	Infrastructure and Services	03-Feb-16	EM305/10/15: HS33/09/15: HS22/06/15: Temporary Allocations		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1954	C28/02/16	Strategy and Economic Development	03-Feb-16	SPL133/10/15: SPL118/08/15, SPL93/07/15: Proposed lease of a portion of erf 458 Motswedimosa, Ritchie		R	Not completed and overdue
RES1955	C29/02/16	Strategy and Economic Development	03-Feb-16	SPL135/10/15: SPL129/08/15: Proposed Subdivision of Erf 7128, Kimberley 5 Oates Road, Diamond Park		R	Not completed and overdue
RES1956	C30/02/16	Strategy and Economic Development	03-Feb-16	SPL142/10/15: Proposed Removal of Restrictive Conditions, Rezoning and Building Line Relaxation i.r.o. Erf 3339 Kimberley, 7 Chamier Road, Monument Heights.		R	Not completed and overdue
RES1957	C31/02/16	Strategy and Economic Development	03-Feb-16	SPL143/10/15: Proposed Subdivision of Remainder Of Erf 5045 and Erf 8047 Kimberley, the Consolidation Thereof With Erf 8035 and Rezoning of the Consolidated Erf, De Beers Terrace, De Beers.		R	Not completed and overdue
RES1958	C32/02/16	Strategy and Economic Development	03-Feb-16	SPL145/10/15: Proposed Subdivision of Erf 16278 Kimberley, 27 Onyx Crescent, West End		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1959	C33/02/16	Strategy and Economic Development	03-Feb-16	SPL146/10/15: Proposed Subdivision and Relaxation of Building Lines I.R.O Erf 11969 Kimberley, 22 Marlene Avenue, Lindene		R	Not completed and overdue
RES1960	C34/02/16	Strategy and Economic Development	03-Feb-16	SPL147/10/15: Building Services Section Monthly Report: June â" July 2015		R	Not completed and overdue
RES1961	C35/02/16	Strategy and Economic Development	03-Feb-16	SPL148/10/15: Proposed subdivision of Erf 12779, Kimberley, 3 Carlstein Street, Kimdustria		R	Not completed and overdue
RES1962	C36/02/16	Strategy and Economic Development	03-Feb-16	SPL149/10/15: Proposed Rezoning of Erf 963 Kimberley, c/o Poole Street & Oliver Road, Memorial Road Area		R	Not completed and overdue
RES1963	C37/02/16	Strategy and Economic Development	03-Feb-16	SPL150/10/15: Building Services Section Monthly report: August 2015		R	Not completed and overdue
RES1964	C38/02/16	Strategy and Economic Development	03-Feb-16	SPL151/10/15: Proposed Subdivision and Relaxation of Building lines i.r.o. erf 36122 Kimberley, 48 Queensway, Hillcrest		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1965	C39/02/16	Strategy and Economic Development	03-Feb-16	SPL166/10/15: Proposed Alienation of a Portion of Portion 91 {a portion of Portion 2 (Carters Ridge)} of the Farm Bultfontein No. 80 Kimberley		R	Not completed and overdue
RES1966	C40/02/16	Strategy and Economic Development	03-Feb-16	SPL168/10/15: Proposed alienation of Erf 1774, 17 Brockman place, Beaconsfield, Kimberley		R	Not completed and overdue
RES1967	C41/02/16	Strategy and Economic Development	03-Feb-16	SPL169/10/15: Proposed alienation of Erf 6443 Kimberley, 10 Spring Street, Ashburnham		R	Not completed and overdue
RES1968	C42/02/16	Strategy and Economic Development	03-Feb-16	SPL172/10/15: Proposed closure, rezoning, subdivision (for consolidation) and alienation of a portion of Erf 546 Galeshewe, Solomon Mekgwe Street, Retswele		R	Not completed and overdue
RES1969	C43/02/16	Strategy and Economic Development	03-Feb-16	SPL173/10/15: Proposed alienation of Erf 2094 Galeshewe, 26 Gaborone Street, Vergenoeg		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1970	C44/02/16	Strategy and Economic Development	03-Feb-16	SPL174/10/15: Proposed alienation of Erf 2191 Galeshewe, 354 Africa Street, Vergenoeg		R	Not completed and overdue
RES1971	C45/02/16	Strategy and Economic Development	03-Feb-16	SPL175/10/15: Proposed alienation of Erf 12437 Galeshewe, Letsholo Street, Phomolong		R	Not completed and overdue
RES1972	C46/02/16	Strategy and Economic Development	03-Feb-16	SPL176/10/15: Proposed alienation of Erf 20943 Galeshewe, Corless Road, John Mampe		R	Not completed and overdue
RES1973	C47/02/16	Strategy and Economic Development	03-Feb-16	SPL180/10/15: Proposed Alienation of a Portion of the Remainder of Erf 1 Kimberley (Unnamed Lane) Adjacent to Erf 1472 Kimberley, 31 Hercules Street, Beaconsfield		R	Not completed and overdue
RES1974	C48/02/16	Strategy and Economic Development	03-Feb-16	SPL181/10/15: Proposed Rezoning, Closure, Subdivision, Consolidation and Alienation of a Portion of Erf 3266 Kimberley (Pavement) Adjacent to Erf 3438 Kimberley 39 Kekewich Drive, Monument Heights		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1975	C49/02/16	Strategy and Economic Development	03-Mar-16	SPL182/10/15: Proposed Rezoning, Closure, Subdivision, Consolidation and Alienation of a Portion of Erf 3266 Kimberley (Pavement) adjacent to Erf 3503 Kimberley 51 Kekewich Drive, Monument Heights		R	Not completed and overdue
RES1976	C50/02/16	Strategy and Economic Development	03-Feb-16	SPL183/10/15: Proposed Alienation of a Portion of the Remainder of Erf 5337 Kimberley Waterloo Street, West End		R	Not completed and overdue
RES1977	C51/02/16	Strategy and Economic Development	03-Feb-16	SPL192/11/15: Proposed Removal of Restrictive Conditions and Building Line Relaxation in terms of Erf 31614 (Consolidated Erven 5180 and 5181) Kimberley, 11 Rutherford Street, Ashburnham Industrial Area		R	Not completed and overdue
RES1978	C52/02/16	Strategy and Economic Development	03-Feb-16	SPL193/11/15: Proposed Subdivision of Remainder of Erf 51 Ritchie, c/o Thirteenth Street & Third Street		R	Not completed and overdue
RES1979	C53/02/16	Strategy and Economic Development	03-Feb-16	SPL195/11/15: Building Services Section report: September 2015		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1980	C54/02/16	Strategy and Economic Development	03-Feb-16	SPL196/11/15: Proposed renewal of the lease agreement of a portion of Erf 14779 Kimberley, Heerengracht Avenue, Royldene		R	Not completed and overdue
RES1981	C55/02/16	Strategy and Economic Development	03-Feb-16	SPL197/11/15: Proposed Closure and Alienation of a Portion of Erf 6658 Kimberley for consolidation with Erf 7530 Kimberley, Beit Street, Kimberley North		R	Not completed and overdue
RES1982	C56/02/16	Strategy and Economic Development	03-Feb-16	SPL198/11/15: Proposed street closure, subdivision, consolidation and alienation of the Remainder of Vooruitzigt No. 81, adjacent to Erf 7878 Kimberley, 31 Searle Street, De Beers		R	Not completed and overdue
RES1983	C57/02/16	Strategy and Economic Development	03-Feb-16	SPL199/11/15: Proposed alienation of Erf 23353 and 23354 Kimberley, Amaryllis Street, Roodepan		R	Not completed and overdue
RES1984	C58/02/16	Strategy and Economic Development	03-Feb-16	SPL200/11/15: Proposed Alienation of Erf 4134 Galeshewe, Ramoroa Street, Vergenoeg Extension 9		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1985	C59/02/16	Strategy and Economic Development	03-Feb-16	SPL201/11/15: Proposed Alienation of a portion of Erf 6049 Galeshewe, Methodist Street		R	Not completed and overdue
RES1986	C60/02/16	Strategy and Economic Development	03-Feb-16	SPL202/11/15: Proposed alienation of a portion of Erf 4134 Kimberley, Carters Road, Carters Glen		R	Not completed and overdue
RES1987	C61/02/16	Municipal Manager	03-Feb-16	Reporting of Deviations from Procurement Process		R	Not completed and overdue
RES1988	C62/02/16	Corporate Services	03-Feb-16	Annual General Meeting of the Cape Retirement Fund: Councillor Delegates		R	Not completed and overdue
RES1989	C63/02/16	Executive and Council	03-Feb-16	First Quarter Performance Report		R	Not completed and overdue
RES1990	C64/02/16	Infrastructure and Services	03-Feb-16	Report on Bultfontein Road		R	Not completed and overdue
RES1991	C65/02/16	Executive and Council	03-Feb-16	C243/10/15: Questions by Cllr W P Doman		R	Not completed and overdue
RES1992	C66/02/16	Executive and Council	03-Feb-16	C244/10/15: Motion by Cllr Liebenberg		R	Not completed and overdue

Ref	Resolution Reference	Department	Council Meeting Date	Resolution Instructions	Update History	Result	
RES1993	C67/02/16	Financial Services	24-Feb-16	Approval of Adjustments Budget and Adjustment of the SDBIP KPIs and Targets for the year ending 30 June 2016		R	Not completed and overdue
RES1994	C68/02/16	Municipal Manager	24-Feb-16	EM101/02/16: EM318/10/15: Approval of Supply Chain Management Policy amendments		R	Not completed and overdue
RES1995	C69/02/16	Executive and Council	24-Feb-16	Employee related matter:		R	Not completed and overdue
RES1996	C70/02/16	Executive and Council	18-Feb-16	Resignation: ED: Infrastructure and Services		R	Not completed and overdue

2.2 ADMINISTRATIVE GOVERNANCE

2.2.1 Introduction to Administrative Governance

The Municipal Manager supported by the executive management team to accomplish the mission and vision of Council, heads the municipal administration.

The Municipal Manager is responsible for development of an economical, effective and efficient administration that can implement the Integrated Development Plan (IDP). The executive management team manages the execution of the IDP within more specific service delivery aimed directorates that are responsive to the needs of the local community and ensure the service delivery of key public services to the society.

2.2.2 Top Administrative Structure

Tier	Directorate	Designation	Name
1	Executive	Municipal Manager	Goolam Akharwaray
2	Infrastructure and Services	Executive Director	Gail Jele **
3		City Roads Engineer: Roads and Storm Water	Thabiso Raseobi
		City Engineer: Water and Sanitation	Motale Selesho
		City Electrical Engineer: Electricity	Roelof Coertze
		Manager: Housing	Richard Riddles
		Fleet Manager	Alan Samson
		Head: Mechanical Workshops	Marcel Arthur
2	Strategy, Economic Development and Planning	Executive Director	Nomonde Tyabashe-Kesiamang *
3		Manager: Local Economic Development	Phetole P Sithole
		Manager: Properties	Fumane Phatedi **
		Manager: Building Control	Godfrey Lesenyo

Tier	Directorate	Designation	Name
		Manager: Urban Planning	Ngoako Modiba
		Manager: Market	Jemima Taku**
		Manager: GURP and NDPG	Zwelithini Mguza
2	Corporate Services	Executive Director	Ruth K. Sebolecwe
3		Manager: Human Resources	Tebogo Phuthi
		Manager: Communication and Public Relations	Sello Matsie
		Manager: Labour Relations	Pierre de Villiers
		Manager: Committee Services	Corrie Senekal
		Manager: Administration	Charl Pizer
2	Community and Social Development Services	Executive Director	Khuza Bogacwi *
3		Manager: Emergency Services	Tinus Pretorius
		Manager: Primary Health Care	Ester Christopher **
		Manager: Cleansing and Environmental Health	Keith Williams
		Manager: Motor Registration	Deon Moeti
		Manager: Traffic Law Enforcement	Chris Langford
		Manager: Parks and Recreation	Tumelo Maropong **
		Manager: Library Services	Fritz van Dyk
2	Financial Services	Chief Financial Officer	Zuziwe Lydia Mahloko *
3		GM: Budget and Treasury	Oubaas Wagner
		GM: Revenue Management	Andries Klopper
		Chief Information Officer	Veronica G Monyobo
		Manager: Expenditure	Joseph Mopharing
		Manager: Assets	Eugene Baise

Tier	Directorate	Designation	Name
		Manager: Supply Chain Management	Fred Barnard
* Denotes officials employed permanently, with annual performance agreements, reporting to the Municipal Manager under the Municipal Systems Act, Section 56. ** Acting			

COMPONENT B: INTERGOVERNMENTAL RELATIONS

2.3 INTERGOVERNMENTAL RELATIONS

2.3.1 National Intergovernmental Structures

Sol Plaatje Municipality is a non-delegated municipality and reports monthly and quarterly to National Treasury. During the year, there are various meetings attended with National Treasury and in the main, the following engagements are highlighted:

- National Treasury's mid-term visit to the municipality
- Budget Benchmark Exercise – review of the budget prior to the approval by Council
- Financial Statements Compliance Checklist – for GRAP compliance

Some municipal officials serve in the Institute of Municipal Finance Officers at National level, thus giving the municipality an early awareness of new developments in the accounting and reporting framework.

2.3.2 Provincial Intergovernmental Structure

The municipality is a full-time member of the Provincial Intergovernmental Relations Committee that is chaired by the Premier of the Province and sits on a quarterly basis. There are various other meetings where the municipality is being represented such as SALGAs Working Committees of Finance, Local Economic Development, etc.

2.3.3 Provincial and District Structure

The District Intergovernmental Forum is a legislative structure constituted to ensure that the three spheres of government operate smoothly. The District Technical IGR therefore was put together to render technical support to the political IGR. The technical committee's responsibility is to plan for the District IGR. The committee addresses issues that sector departments and municipalities are confronted with.

These issues will then form the Agenda of the District IGR; and may be submitted further to the Provincial IGR.

Service deliveries by individual municipalities as well as the municipalities on district level enjoy the advantages of regular contact between professional peers, a sense of co-ordination and

aid in problem solving. Regular communication and planned meetings enhance co-operation on local government level as well as different spheres of government.

2.3.4 District Intergovernmental Structures

The District Intergovernmental Forum is a legislative structure constituted to ensure that the three spheres of government operate smoothly.

The District Technical IGR therefore was put together to render technical support to the political IGR. The technical committee's responsibility is to plan for the District IGR.

The committee addresses issues that sector departments and municipalities are confronted with. These issues will then form the Agenda of the District IGR; and may be submitted further to the Provincial IGR.

The District IGR Committee consisting of the four local municipalities and the district municipality meets on a quarterly basis to co-ordinate IDP related issues within the district. When required provincial sector departments are also invited for their specific input.

Service delivery, in this case by individual as well as the municipalities on district level, enjoy the advantages of regular contact between professional peers, a sense of coordination and aid in problem solving. Regular communication and planned meetings enhance co-operation on local government level as well as different spheres of government.

COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.4 PUBLIC MEETINGS

Public Meetings with regard to the IDP and Budgets for 2015/2016 were held at different venues in the City. Meetings were held to gain public input with regard to above. The meetings were held during the month of April 2015.

Galeshewe – at RC Elliot Hall and Social Centre

Roodepan – at the Marius Bessemans Hall

City Hall

Ritchie – Motswedimosa Hall

Riverton and Langley – at the Riverton Hall

Platfontein – at the Combined School

In total 1,984 people attended the meetings and various inputs were received from the community.

Public Meetings						
Nature and purpose of meeting	**Date of meeting**	**Number of Participating Municipal Councillors**	**Number of Participating Municipal Administrators**	**Number of Community members attending**	**Issue addressed (Yes/No)**	**Dates and manner of feedback given to community**
MPAC	Various	30	30	1,254	Yes	Feedback is given directly to the community members during the meetings.
IDP and Budget 2016/17-18/19	Various	45	30	1,984	Yes	
Annual Report 2014/15	Various	40	30	988	Yes	

The meetings with the community took place during April and May 2015 for the financial year 2015/2016.

COMMENT ON PUBLIC MEETINGS

The public meetings arranged to inform communities about the impending budget and the IDP as well as various other like the MPAC meetings and the discussions surrounding the Annual Report which directly influence them as rate payers, went off smoothly. Council involve communities as per legislation to seek input from them in order of transparency and openness. Although quite a number of people attended, the attendance was still not up to what was expected.

Some meetings had to be rescheduled as a result of inclement weather. The meetings as a whole were received very well by the communities and there were constructive debates around various issues. During the engagements, a lot could be learned from the various inputs provided.

In future innovative ideas will be brought to the table to ensure that more numbers turn up at public meetings to make the process more inclusive.

COMMENT ON MUNICIPAL WARD COMMITTEES

Delete Directive note once comment is completed - Set out the key purposes of ward committees, the major issues that the ward committee system has dealt with during the year. Refer to **Appendix E** which contains further details on ward committee governance and to **Appendix F** that contains performance data on a ward by ward basis.

T 2.4.2

2.5 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, and output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Do the IDP KPIs align with the provincial KPIs on the 12 Outcomes	Yes
Were the indicators communicated to the public?	Yes
Were the four-quarter aligned reports submitted within stipulated time frames?	Yes
** Section 26 Municipal Systems Act, (Act 32 of 2000)*	

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.6 RISK MANAGEMENT

Enterprise Risk Management (ERM) forms a critical part of any entity's strategic management. It is the process whereby an entity both methodically and intuitively addresses the risk attached to their activities with the goal of achieving a sustained benefit within each activity and across a portfolio of activities. Enterprise Risk Management is therefore recognised as a strategic, integral part of sound organisational management and is being promoted internationally and in South Africa as good business practice applicable to the public and private sectors.

The underlying premise of enterprise risk management is that every entity exists to provide value for its stakeholders. All entities face uncertainty, and the challenge for management is to determine how much uncertainty to accept as it strives to grow stakeholder value. Uncertainty presents both risk and opportunity, with the potential to erode or enhance value.

Enterprise risk management enables management to effectively deal with uncertainty and associated risk and opportunity, enhancing the capacity to build value. Value is maximised when management sets strategy and objectives to strike an optimal balance between growth and return goals and related risks, and efficiently and effectively deploys resources in pursuit of the entity's objectives.

The framework provides a basis for management to effectively deal with uncertainty of associated risk and opportunity, thereby enhancing its capacity to build value.

The following factors require consideration when integrating ERM into organisational decision-making structures:

- Strategically aligning risk management with objectives at all levels of the organisation
- Introducing risk management components into existing strategic planning and operational practices
- Including risk management as part of employees' performance appraisals; and

- Continuously improving control and accountability systems and processes to take into account risk management and its results.

The Enterprise Risk Management Framework specifically addresses the structures, processes and standards implemented to manage risks on an enterprise-wide basis in a consistent manner. The standards further address the specific responsibilities and accountabilities for the Enterprise Risk Management process and the reporting of risks and incidences at various levels within SPM. As the field of risk management is dynamic, this policy and framework document is expected to change from time to time.

Current trends in good corporate governance have given special prominence to the process of Enterprise Risk Management, and reputable businesses are required to demonstrate that they comply with expected risk management standards. This means that SPM must ensure that the process of risk management receives special attention throughout the organisation, and that all levels of management know, understand and comply with the framework document.

Risk Management Activities as contemplated in the Framework are properly discharges and all Risk Management activities are reported quarterly to the Risk Management and Audit Committee.

SOL PLAATJE MUNICIPALITY'S CURRENT TOP FIVE RISKS AS AT JUNE 2016

- Declining financial sustainability
- High level of non-revenue water due to water losses
- Limited capacity of High Voltage and Distribution Infrastructure in certain areas
- No Master Plans for Infrastructure Services
- Old and outdated HV Network and supply to Plant for Riverton Water Purification Works.

2.7 ANTI-CORRUPTION AND FRAUD

The Sol Plaatje Municipality has a range of measures to prevent corruption, fraud and theft; these are in sync with the national anti-corruption strategy. Accordingly, Council adopted the Fraud Prevention Policy on 9 June 2010, together with the Fraud Prevention and Anti-Corruption Plan, the latter operationalised the broad principles contained in the policy framework. This framework essentially defines and regulates measures to address corruption, fraud and theft. This is underscored by the understanding that criminal and other irregular conduct is detrimental to good, effective, accountable and transparent governance and hampers the service delivery capacity of the Municipality.

To that end, the objective of this policy framework is to:

- Develop and foster an environment, where public representatives, the employees of the Municipality and the public shall strive to eradicate corruption, fraud and theft through the application of a full spectrum of pro-active and re-active measures at their disposal

- Encourage disclosures of corrupt practices and the protection of whistle-blowers through the application of the Protected Disclosures Act (Act No. 26 of 200)

- Encourage the reporting of irregular acts or corrupt activities through the joint utilisation of the national anti-corruption hotline

- Ensure that, where appropriate, the municipality recovers financial losses or damages incurred by using a range of legal instruments at its disposal.

Furthermore, an internal audit unit exists to analyse and report on the control environment in order that management can proactively deal with the underlying causes of corruption and theft. An external Audit Committee made up of external experts is constituted and meets on a regular basis to analyse audit reports and, where appropriate, make recommendations to management to implement effective management strategies and practices, such as those provided for in the King III Report. Such an Audit Committee does not include councillors and is therefore seen as objective and non-biased in its assessment and recommendations.

The municipality adopted Bid Committees immediately upon promulgation of Supply Chain Management Regulations, in line with the Municipal Finance Management Act. There are no councillors serving on Bid Committees since that time. Council plays an oversight role on the implementation of Supply Chain Policy and quarterly reports are submitted to the Executive Mayor and published in the local newspapers.

Regular incidents of corruption and theft are reported to the Municipal Manager and acted upon by an internal investigative unit, who also report such incidents to the SAPS, where appropriate.

It is common within the government sector that various whistle-blowers will approach the Office of the Public Protector and the Hawks. The municipality has dealt with various matters from these two offices, the nature of which can be summarised as follows:

- Billing related enquiries
- Service delivery related enquiries
- Budget implementation enquiries
- Fraud allegation on tendering
- Dissatisfaction with the tender outcomes

All of these are handled through the Municipal Manager, the Executive Directors and other senior managers.

2.8 SUPPLY CHAIN MANAGEMENT

2.8.1 Overview of Supply Chain Management

The Supply Chain Management Policy continues to be implemented in accordance with the MFMA and its relevant regulations with considerable success. The policy was reviewed in accordance with Section 3(1) of the Supply Chain Management Policy and Regulation and approved by Council at a Special Council meeting held on 24 February 2016 and all amendments were implemented. No major changes were made.

Various contributions were made to maximise administrative and operational efficiency in the implementation of the Supply Chain Management Policy which includes:

- The update of all bid document templates with reference to pre-conditions and price structures
- The training of all relevant supply chain management practitioners to meet the prescribed competency levels in terms of the National Treasury Competency Regulations
- The review and update of procedure manuals and registers
- The implementation of measures to promote environmentally friendly procurement in our procurement plans
- The review and update of the delegation of powers register.

Supply Chain Management will always be confronted by challenges and this financial year was no exception. Operation Clean Audit was high on the list and previous findings were analysed and action plans were implemented. The timely sitting of bid committee meetings and the improvement of turnaround time remains a challenge. Delays are also caused by late submissions of technical reports by the line managers. The development of a timeframe schedule and timeously issuing of agendas were some of the efforts made to address it.

Membership of all bid committee members were reconsidered and new and reappointments were made.

The implementation of an e-procurement system still needs to take place. Options are currently being reconsidered. This will enforce cost effective measures for the prevention of fraud and corruption and also maximise administrative efficiency.

Procedure Manuals of all supply chain related activities were reviewed and updated. During the review of each activity steps were conducted so as to minimise or eliminate disruptions in service

delivery resulting from the lack of any materials, equipment or suppliers. This will be achieved with a minimum investment in reserve inventories. All check lists and registers were updated to accommodate the amendments of the procedure manuals, and to be more effective.

The bid opening process was also reviewed to improve transparency and accountability. The bid box was moved from the City Hall to the Stores Complex and is now under 24-hour security. Opening takes place in the presence of two bid officials, a Supervisor and the Risk Manager.

Creating a proper suppliers' database for obtaining quotations for the provision of goods and services remains one of the biggest challenges. The previous system crashed, and we are currently in the process of creating an Electronic Procurement System that will support Government's efforts in the public-sector e-tender portal.

Plans have been made to utilise all possible resources to ensure that a Vendor database is established very shortly. A final reminder was forwarded to all current suppliers and an invite was placed in the press and on our website for all potential suppliers. Further we created a daily monitoring system where progress is monitored and discussed every morning.

2.9 BY-LAWS

2.9.1 By-Laws gazetted in 2015*

Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazette* (Yes/No)	Date of Publication
Land Use Management By-Law		Yes	21 September 2015	Yes	2015

* The above by-law will be adopted after the date of publication.

2.9.2 Comment on By-laws

The municipality gazetted the Land Use Management By-Law on 21 September 2015 as per Gazette No. 1995, and the by-law became fully operational as of the gazette date. All the land use applications were submitted in terms of the newly gazetted land use by-laws 2015. The by-laws will also act as a stimulus to fast track land development.

2.10 WEBSITES

2.10.1 Municipal Website: Content and Currency of Material

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	**Yes / No**	**Publishing Date**
Current annual and adjustments budgets and all budget-related documents	Yes	Annual Budget – 26 May 2016 Adjustment Budget - 24 February 2016
All current budget-related policies	Yes	Published within two days of receipt
The previous annual report (2013/2014)	Yes	Published 12/11/2015
The annual report 2014/2015 to be published	Yes	Published – 05/02/2016
All current performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act (2013/2014) and resulting scorecards	Yes	All Performance agreements have been published except for ED Community Services *(Outstanding)*
All service delivery agreements	Yes	11/07/2013
All long-term borrowing contracts	Yes	October 2013
All supply chain management contracts above R200 000 for 2013/2014	Yes	Published within two days of receipt
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of Section 14 (2) or (4) during 2013/2014	Yes	No Fixed assets were disposed of during the reporting period.
Contracts agreed in 2013/2014 to which subsection (1) of Section 33 apply, subject to subsection (3) of that section	Yes	Published within two days of receipt
All quarterly reports tabled in the council in terms of Section 52 (d) during 2014/2015	No	Mid-Year and 2nd Quarter Report published 13/05/2016 (Published as one document) 3rd quarter report published 30/04/2016

2.10.2 Comment on Municipal Website Content and Access

Communication

Sol Plaatje Municipality is committed to Batho Pele principles, and communication has been focusing on the issues that have an impact on the residents' perception, quality of service and value for money.

Website

The municipal website www.solplaatje.org.za is an integral part of the municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

The following table is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipal Website	Date Published
Annual Budget	26/05/2016
Adjustment Budget for 2015/2016	24/02/2016
Annual Report 2014/2015	05/02/2016
IDP 2014/2015	08/06/2015
IDP Review (Planning) 2015/2016	30/05/2016
Performance Agreements 2015/2016	5 August 2015
Quarterly Reports tabled to Council	Mid-Year and 2nd Quarter Report published 13/05/2016 (Published as one document) 3rd quarter report published 30/04/2016
Mid-Year Assessment Report	13/05/2016
SDBIP 2015/2016	08/06/2016
Policies	
Asset Disposal Policy 013 (Revision)	25 March 2015
Cash Management & Investment Policy revised 2013	25 March 2015
Agreements	
SLA: Service Level Agreements	

Documents published on the Municipal Website	Date Published
SLA Treasury - Infrastructure Skills Development Grant	11/07/2013
SLA Department of Health	11/07/2013
SLA Nugen	11/07/2013
SLA Department Sports, Arts & Culture	11/07/2013

2.11 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

2.11.1 Introduction to Public Satisfaction Levels

The municipality has various programmes to meet the people and hear their comments and inputs. A survey has not been considered as yet to really research and understand the deep concerns of the public. An open-door policy also applies as the Executive Mayor, the Municipal Manager and the Chief Financial Officer allow members of the public to meet and raise issues of service delivery, billing, policy implications, assistance and their experiences with staff as they encounter with them daily.

There is general consensus on public satisfaction. This is said from the basis of understanding issues raised during protests as they are mainly with regard to services that are provided on an agency basis such as housing, water and sanitation, as well as the electrification. The municipality also benefitted from the National Upgrading Support Programme with a yield of 4,813 new homes (erven) to be developed over the medium to long-term planning framework. This has given hope to the citizenry and created certainty of tenure.

During 2010, was conducted in 2010 and the required information refers to year 0 or year 1 and it is preferable that the information should have been obtained in the financial year 2015/2016 as per the template. The sample of the 2010 information was also too small to have an impact; there were less than 500 respondents. However after collating and analysing the questionnaires the results showed that people were satisfied with the electricity services, and not very satisfied with roads and storm water.

2.11.2 Comment on Satisfaction Levels

Due to the participants on the survey being very few, no concrete conclusions could be made in this regard. However, the municipality has established a fully-fledged Call Centre was put in place replacing the Control Room to take community infrastructure queries and dispatch them to the technical teams on the ground to resolve. Although this is the only medium for reporting infrastructure breakages they do walk-in for municipal accounts queries.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE (PERFORMANCE REPORT PART I)

3.0 INTRODUCTION

To achieve government's constitutional obligation of providing services, Sol Plaatje Municipality is delegated to provide access to basic municipal services. The Local Government: Municipal System Act (MSA), (Act No. 32 of 2000), describes a basic municipal service, as a service that is necessary to ensure an acceptable and reasonable quality of life and which if not provided, would endanger public health, safety and the environment. In order to ensure sustainable delivery of basic services, SPM should ensure that relevant policies and strategies that governs technical standards and norms are in place.

A municipality as a service authority would, in order to deliver a service, require adequate infrastructure to meet the requirements as set out in the MSA. Infrastructure is a tool to deliver on municipal services. The Infrastructure Development Act (Act No. 23 of 2014) defines infrastructure as installations, structures, facilities, systems, services or processes relating to the matters specified in Schedule 1 and are part of the national infrastructure plan. The Act further defines public infrastructure as infrastructure owned by the state or infrastructure in relation to which a public-private partnership or a concession agreement exists.

Municipal infrastructure may be broadly defined as the capital works required to provide municipal services. This includes all activities necessary to ensure that the works are delivered effectively, such as feasibility studies, project planning and capacity building to establish sound operational arrangements for the works. These activities or projects have also considered the eradication of backlogs and provision of basic services to indigents, despite inadequate funding to address backlogs.

3.0.1 Employees: Infrastructure & Services (Director's Office)

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	0	3	3	0	0.00
Professionals	0	0	0	0	0.00
Technicians & Trade Workers	0	0	0	0	0.00
Clerks & Administrative Workers	0	7	6	1	14.29
Community and Personal Workers	0	0	0	0	0.00
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	0	0	0	0	0.00
Elementary Occupations	0	2	2	0	0.00
Total	**0**	**13**	**12**	**1**	**7.60**

3.1. WATER PROVISION

3.1.1 Introduction to Water Provision

The provision of Water services is directed, regulated and controlled by the Water Services Act (Act No. 108 of 1997) and the National Water Act (Act No. 36 of 1998). The Water Services Act primarily deals with water services provision to consumers, while the National Water Act focuses on water in its natural state.

Sol Plaatje Municipality is both the Water Service Provider and Water Service Authority. This implies that the municipality is both responsible for the planning and implementation of its strategies related to water supply services. The municipality must develop a Water Services Development Plan (WSDP) relevant to Water Services Authority requirements and furthermore defines desired and minimum level of water service for communities, which is a specific function for Water Services Provider in its area of jurisdiction.

The WSDP describes and defines arrangements for water service provision in the municipal area, both present and future within a prescribed legislative requirement.

In the financial year under review, the municipality has currently and successfully implemented the following major projects, of which some are multi-year projects:

WATER

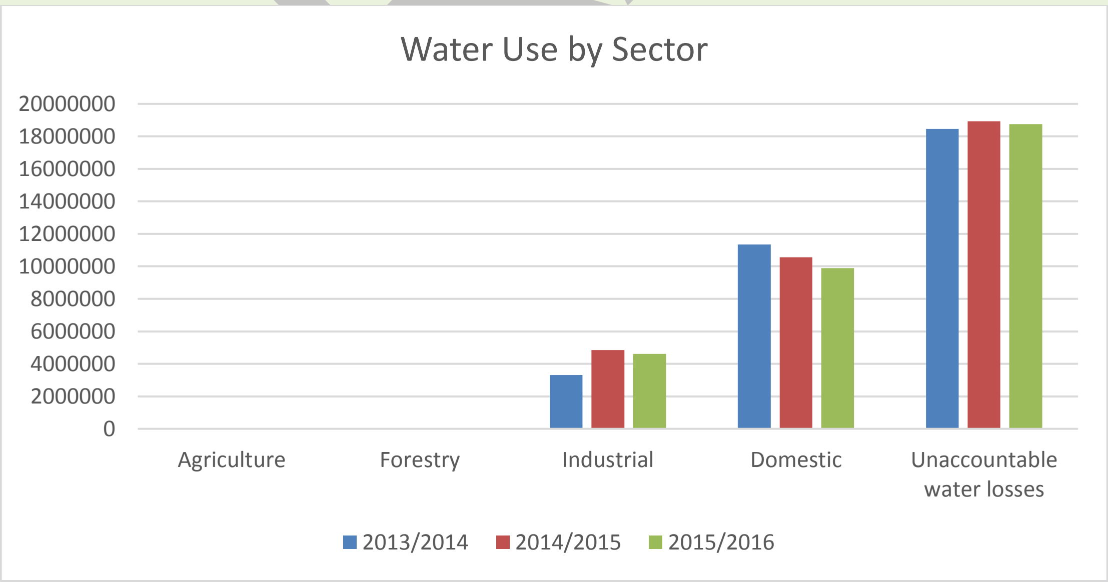
- **Completed project**
    - Refurbishment of bulk water main from Riverton to Kimberley
    - Water management zones and zone metering
    - Upgrading of Ritchie bulk water storage capacity
    - Upgrading of Homevale WWTW (Civil works for additional 15ML)
- **Multi-Year Projects**
    - Installation of new High Lift Pumps and construction of pump station in Riverton to ensure certainty of water supply to Kimberley
    - Replacement of water meters in various areas/townships
    - Augmentation of Bulk water supply in Ritchie
    - Homevale WWTW Mechanical Sludge Dewatering.

3.1.2 Comment on Water use by Sector

Total Use of Water by Sector (kilolitres)					
Period	**Agriculture**	**Forestry**	**Industrial**	**Domestic**	**Unaccountable water losses**
2013/2014	0	0	3,312,119	11,347,425	18,463,372
2014/2015	0	0	4,841,151	10,551,174	18,940,545
2015/2016	0	0	4,615,297	9,888,947	18,752,511

Period	Domestic Use %	Industrial Use %	% Unaccounted Water
2013/2014	34.26%	10.00%	55.74%
2014/2015	30.73%	14.10%	55.17%
2015/2016	29.74%	13.88%	56.39%

Bar chart depicting Water Use by Sector



Volume of unbilled water consumption and apparent losses are regarded as the effective causes of high non-revenue water. Real losses represent a significant defect on water infrastructure such a pipe burst and leakages. Despite progressive interventions undertaken by the Municipality to reduce non-revenue water, old and aged infrastructure still remains the biggest challenge.

3.1.3 Water Service Delivery Levels

Description	Households			
	2012/2013	2013/2014	2014/2015	2015/2016
	Actual No.			
Water: (above min level)				
Piped water inside dwelling	_	-	-	-
Piped water inside yard	51,333	53,098	53,550	54,358
Using public tap (within 200m from dwelling)	8,966	5,215	6,747	9,161
Other water supply (within 200m)	_	_	_	_
Minimum Service Level and Above sub-total	**60,299**	**58,313**	**60,297**	* **63,519**
Minimum Service Level and Above Percentage	88%	96.7%	99.99%	
Water: (below min level)				
Using public tap (more than 200m from dwelling)	_	1,087	0	0
Other water supply (more than 200m from dwelling	_	614	614	0
No water supply	_	243	0	0
Below Minimum Service Level sub-total	_	1,944	614	0
Below Minimum Service Level Percentage	0%	3.2%	1%	0.0%
Total number of households*	**56,396**	**60,257**	**60,297**	* **63,519**
* - To include informal settlements				

* As per community survey carried out in 2016. The figure of 60,297 relates to Census 2011.

3.1.4 Households – Water Service Delivery Levels below the minimum

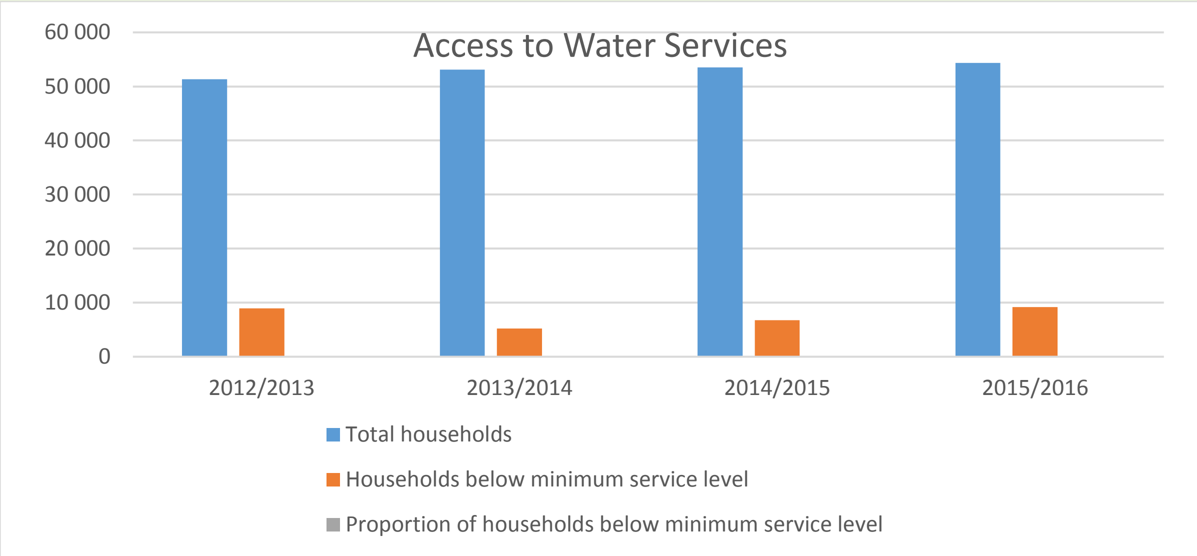
The minimum requirement in terms of water provision is that all households living in informal settlements be provided with stand taps at a distance of 200m. In this regard, the municipality has ensured that all households living in informal settlements have access to communal stand taps. This service is provided freely to all households living in informal settlements.

- Means access to 25 litres of potable water per day supplied within 200m of a household and with a minimum flow of 10 litres per minute;
- 6,000 litres of potable water supplied per formal connection per month.

Description	Households			
	2012/2013	2013/2014	2014/2015	2015/2016
	Actual No.			
Formal Settlements				
Total households	51,333	53,098	53,550	54,358
Households below minimum service level	8.964	5,215	6,747	9,161
Proportion of households below minimum service level	17,5%	9,8%	12.6%	16.8%
Informal Settlements				
Total households	-	-	13,679	9,161
Households below minimum service level				0
Proportion of households below minimum service level			49,3%	0

3.1.5 Access to Water

Bar chart depicting Access to Water



3.1.6 Water Service Policy Objectives Taken From IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth	For the replacement projects of the 2 old high lift pumps at Riverton Water Purification Works ensure that the tender for replacement is awarded and the order for the 2 pumps placed by 30 June 2016	100%	20%	100%	100	Not a target for 16/17
To ensure adequate provision of new bulk infrastructure to unlock	To commence with the procurement process by appointing a	N/A	N/A	100%	100%	N/A

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
and sustain development and growth	professional consultant and approving the bid specifications for the construction of the new pump station in Riverton (to host the new high lift pumps) by 30 June 2016					
To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Decrease non-revenue water losses to 37% by 30 June 2016	17%	14.88%	37%	56.39%	45%
To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Achieve 92% Blue Drop Status (BDS) by 30 June 2016	92%	72%	92%	98%	92%

3.1.7 Employees: Water and Sanitation

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	2	14	3	11	78.57
Professionals	2	2	2	0	0.00
Technicians & Trade Workers	21	35	23	12	34.29
Clerks & Administrative Workers	2	7	2	5	71.43
Community and Personal Workers	3	15	3	12	80.00
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	16	56	19	37	66.07
Elementary Occupations	110	196	125	71	36.22
Total	**156**	**326**	**178**	**148**	**45.40**

Note: New Job Level definitions were received from the LGSETA and the database has been adjusted according. This has resulted in changes to some of the Employee statistics. This will be reflected throughout the tables reflecting employee statistics.

3.1.8 Financial Performance 2015/2016: Water Services

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**212 281**	**245 594**	**235 593**	**233 489**	**-1%**
Expenditure:					
Employees	29 593	34 158	34 195	32 972	-4%
Repairs and Maintenance	24 045	24 390	24 317	21 617	-11%
Other	129 890	136 633	138 169	134 833	-2%
Total Operational Expenditure	**183 528**	**195 181**	**196 681**	**189 422**	**-4%**
Net Operational Expenditure	**(28 753)**	**(50 413)**	**(38 912)**	**(44 067)**	**13%**

3.1.9 Capital Expenditure 2015/2016 (Water Services)

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000			%		R'000
Total All	**14 460**	**49 574**	**38 000**	**195%**	**-14%**	**0**
Water Zone Metering	3 000	9 000	8 357	179%	-7%	35 000
Riverton Water - High Lift Pumps	1 000	14 274	12 902	1190%	-10%	40 000
Replacement of water meters	4 000	4 000	2 524	-37%	-37%	10 000
Ritchie Waste Water	6 460	8 000	5 408	-16%	-32%	55 000
Kimberley Bulk Water Line	0	9 300	8 809		-5%	30 000
Kasigo Pump Building	–	2 000	1 889	-6%	-100%	20 000

3.1.10 Comment on Water and Sanitation Services performance overall

As at 30 June 2016, the municipality provided an additional 808 households in Motswedimosa in Ritchie with water connections. The project was implemented by Sedibeng Water under the bucket eradication programme. The project is currently underway and expected to be completed in December 2016. Extension of water services in Phomolong, Jackson and Colville is delayed due to financial constraints from Provincial Governments (COGSHTA).

3.2 WASTE WATER (SANITATION) PROVISION

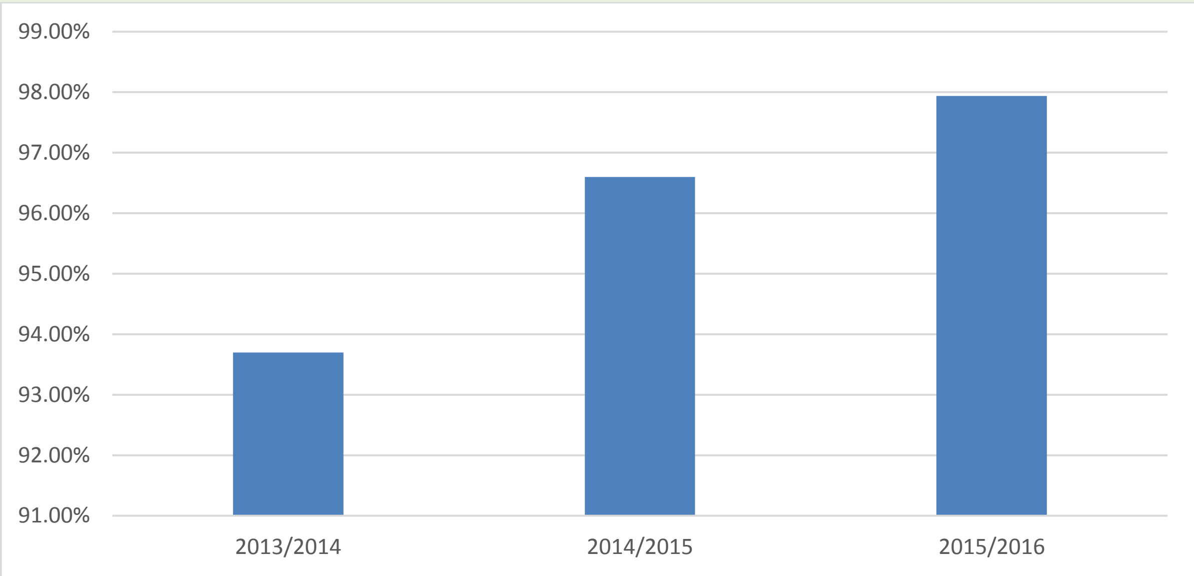
3.2.1 Introduction

Provision of waste water services remains a huge challenge for the municipality. The ever-increasing demand of waste water services due to mushrooming of informal human settlement is in the rise. Although the Corporate Governance, Human Settlement and Traditional Affairs (CoGHSTA) is the custodian of waste water provision for newly established areas of this service is a not a core function for the municipality, overall performance of waste water services is affected negatively by this condition.

Areas within the municipality where basic sanitation services are not provided, pails or bucket are used as an alternative sanitation method although it is not recognised as a dignified and approved level of service.

3.2.2 Sanitation/Sewerage (above minimum level) 2015/2016

Bar chart reflecting Sanitation above minimum level



3.2.3 Sanitation Service Delivery Levels

Description	2012/2013	2013/2014	2014/2015	2015/2016
	Outcome	Outcome	Outcome	Actual
	No.			
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	54,873	55,660	57,370	58,193
Flush toilet (with septic tank)	–	–	–	–
Chemical toilet	–	–	–	–
Pit toilet (ventilated)	860	860	860	860-
Other toilet provisions (above minimum service level)	–	–	–	–
Minimum Service Level and Above sub-total	55,733	56,520	58,230	59,053
Minimum Service Level and Above Percentage	92,3%	93.7%	96.6%	95.10%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	4,626	3,839	2,067	3,065*
Other toilet provisions (below minimum service level)	–	–	–	–
No toilet provisions	–	–	–	–
Below Minimum Service Level sub-total	4,626	3,839	2,067	3,065
Below Minimum Service Level Percentage	7.7%	6.4%	3.43%	4.94%
Total households	**60,297**	**60,297**	**60,297**	**62,118***
**Total number of households including informal settlements. Informal settlements have been increasing.*				

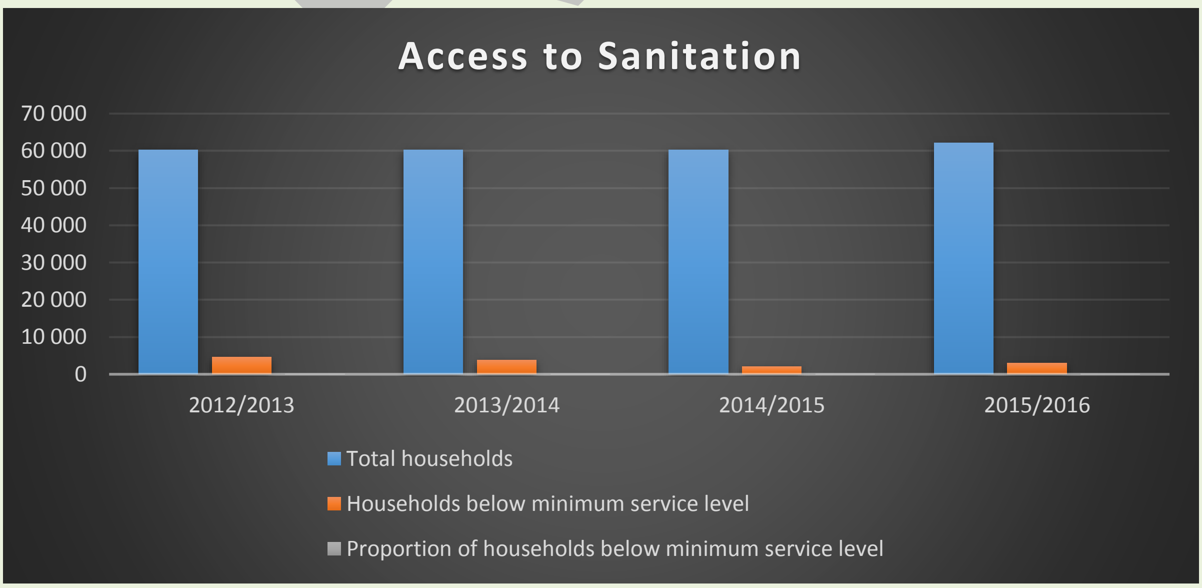
3.2.4 Sanitation Service Delivery Levels below the minimum

Description	Households			
	2012/2013	2013/2014	2014/2015	2015/2016
	Actual No.			
Formal Settlements				
Total households	_	_	60,297	60,297
Households below minimum service level	_	_	0	0
Proportion of households below minimum service level	0%	0%	0%	0
Informal Settlements				
Total households	60,297	60,297	60,297	62,118*
Households below minimum service level	4,626	3,839	2,067	3,065*
Proportion of households below minimum service level	7.7%	6.4%	3.4%	4.9%

Total number of households including informal settlements. Informal settlements have been increasing.

3.2.5 Access to Sanitation (Below minimum level)

Bar chart reflecting Access to Sanitation



3.2.6 Sanitation Service Policy Objectives taken from IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth	To complete at least 70% of the dewatering phase of the Homevale Waste Water project by 30 June 2016	N/A	N/A	70%	65%	70%
To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Achieve 90% Green Drop Status (GDS) by 30 June 2016	80%	67%	90%	87%	90%
To ensure that the municipality provides basic services to the community in a cost-effective manner	Approval of community survey policy as part of the implementation of the back to basics document by 30 June 2016	N/A	N/A	1	1	N/A
	Adoption of the back to basics to inform the service delivery strategy of the municipality by 30 June 2016	N/A	N/A	1	1	2

3.2.7 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**73 691**	**72 991**	**72 841**	**-1%**	**73 691**
Expenditure					
Employees	30 065	30 065	32 595	8%	30 065
Repairs and Maintenance	7 831	12 206	9 171	17%	7 831
Other	19 354	19 479	21 211	10%	19 354
Total Operational Expenditure	**57 250**	**61 750**	**62 977**	**10%**	**57 250**
Net Operational Expenditure	**(16 441)**	**(11 241)**	**(9 864)**	**-40%**	**(16 441)**

3.2.8 Capital Expenditure 2015/2016: Waste Water (Sanitation)

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000			%		R'000
Total All	**45 053**	**65 360**	**53 046**	**18%**	**-19%**	**204 000**
Homevale WWTW Extension 15ML	43 053	57 143	46 941	9%	-18%	119 000
Sanitation facilities for different wards	0	3 002	2 890		-4%	7 000
Sewer Carters Glen	1 000	1 000	0	-100%	-100%	28 000
Diamant Park Services 1150 homes	0	3 215	3 215		0%	50 000
Lerato Park Sewer	1 000	1 000	0	-100%	-100%	0

3.2.9 Comment on Sanitation Services Performance Overall

Despite the challenges relating to provision of sanitation services to newly established and informal areas, the overall performance of the municipality is gradually improving. The implementation of capital investment projects aimed to support provision of this service has unfolded satisfactorily. The realisation of practical completion stage for the extension of Homevale Waste Water Treatment Plant is another milestone showcasing commitment and support of sanitation by the municipality.

The biggest factor with a great potential that can easily be translated into a potential challenge in the near future is the deteriorating condition of reticulation or collector sewer system. The sewer collector infrastructure is in a compromised state and this state has put a burden in the operational budget of the municipality due to increased maintenance costs and specialised operations.

The municipality will be focusing of the following projects in the next cycle of IDP:

- Pipe replacement programme

  The purpose of undertaking this project is to replace old and aged pipe infrastructure and furthermore re-route mid-block pipes for better access during operations and maintenance.

- Upgrading of sewer pump stations

  The purpose of undertaking this project is to improve overall performance of sewer collection system by enabling effective and safe delivery of sewers to intended destinations with minimum disruptions and blockages.

- Upgrading of Carter's Glen sewer system.

  The current operating condition of sewer collector system in the area is under pressure. However, the situation is not desperate. This implies that the municipality still has time to start to plan for the newly defined scope of work. The planning will be conducted in the next coming year and it is expected that the project will be completed within three years.

3.3 ELECTRICITY

3.3.1 Introduction to Electricity

Sol Plaatje Municipality is licensed to purchase electricity from Eskom and then distribute the electricity via the 66kV, 11kV and low voltage electrical network.

There are three bulk 66kV electricity supply points from Eskom namely: Herlear and HA Morris Substations which supplies the Kimberley area and Riverton Substation. Although Ritchie is demarcated into the Sol Plaatje municipal area, Eskom is licensed to distribute electricity in that area.

Over and above electricity supply management, the section is also responsible for the following functions:

- Occupational Health and Safety,
- Fleet Management
- Mechanical and Workshop services
- Sustainable Energy and Climate Change Unit (SECCU)

Electrification remains a challenge due to continuous growth of informal settlements on vacant land. Electrical infrastructure and electrification of houses cannot be installed in informal settlements prior to township establishment.

Other major challenges regarding electricity are vandalism and copper theft that lead to equipment damage, electrical supply interruptions and possible fatalities to municipal employees or members of the public.

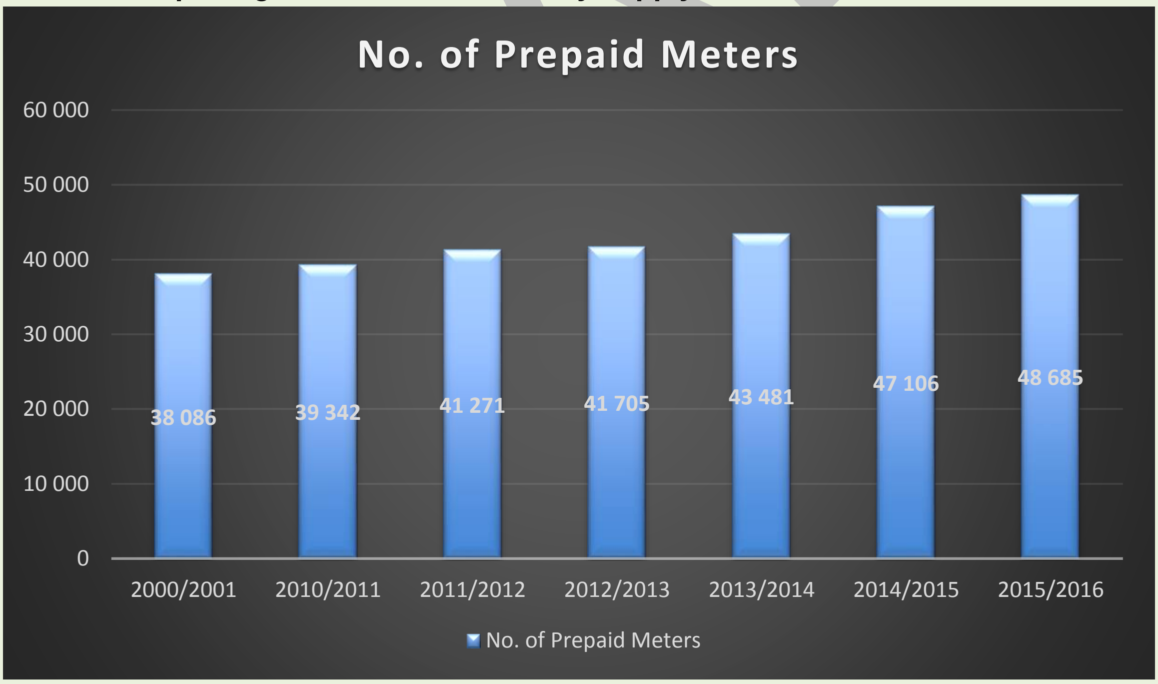
In order to unlock possible development within the Sol Plaatje Municipal area and eradicate backlogs, the following projects were implemented:

- **Installation of new high masts:** Eight new high masts were installed at a cost of R1 million in the following areas:
    - Four in Promised Land,
    - One in Diamond Park,
    - Three in Ivory Park

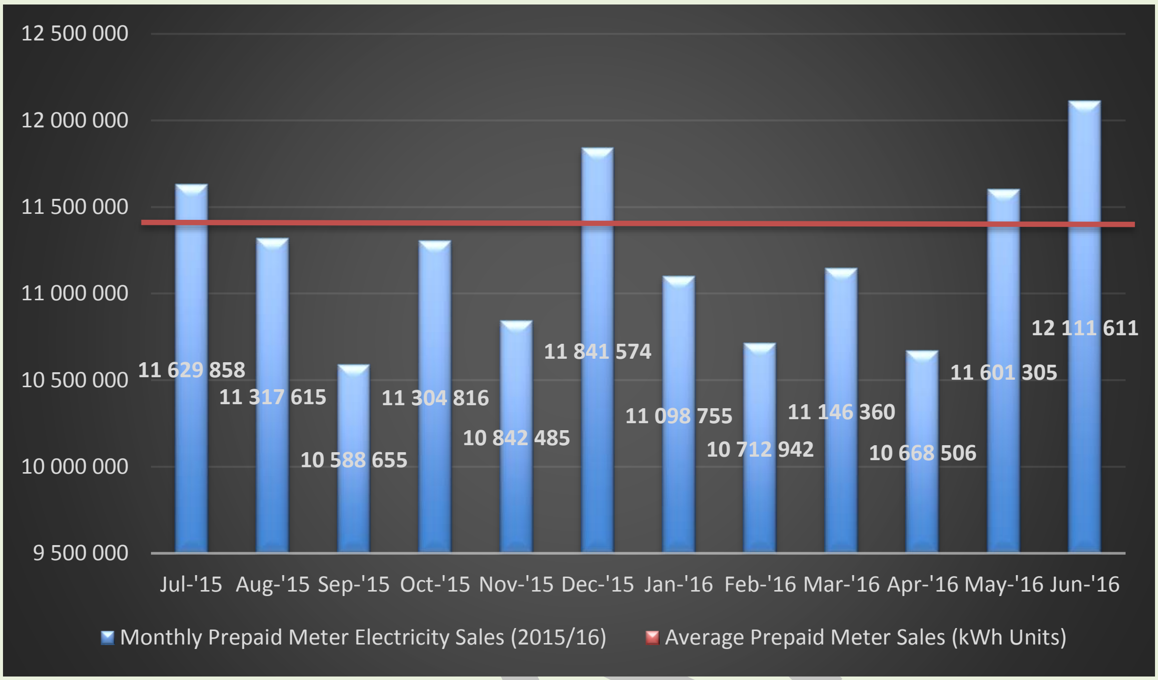
- **Electrification of Promised Land:** The project was funded by the Department of Energy to redress electricity service backlogs and made provision to electrify 783 low cost houses in Promised Land at a cost of R8 million.
- **Electrification of Diamond Park:** The project was funded by the Department of Energy to redress electricity service backlogs and made provision to electrify 881 low cost houses in Diamond Park at a cost of R5 million.
- **Electrification of Jacksonville:** The project was funded by the Department of Energy to redress electricity service backlogs and made provision to electrify 212 low cost houses in Jacksonville at a cost of R4 million.
- **Electrification of Phomolong:** The project was funded by the Department of Energy to redress electricity service backlogs and made provision to electrify 260 low cost houses in Phomolong at a cost of R3.7 million.

3.3.2 Pre-paid electricity supply

Bar chart depicting the levels of electricity supply



Additional Information: Monthly Prepaid Electricity Sales (2015/2016)



3.3.3 Electricity Service Delivery Levels

Description	2012/2013	2013/2014	2014/2015	2015/2016
	Actual No. of Households			
Energy: (above minimum level: Connected to Electricity)				
Electricity (at least minimum service level)	47,972	53,390	55,560	57,696
Electricity - prepaid (minimum service level)	0	0	0	0
Minimum Service Level and Above sub-total	47,972	53,390	55,560	57,696
Minimum Service Level and Above Percentage	79.6%	88.5%	92.1%	95.7%
Energy: (below minimum level: Not Connected to Electricity)				
Electricity (< minimum service level)	12,322	6,907	4,737	2,601
Electricity - prepaid (< minimum service level)	–	–	-	-
NB: The municipality does not provide a below minimum level of service on electricity, the above figures indicate the level of backlogs **Other energy sources**				
Below Minimum Service Level sub-total	12,322	6,907	4,737	2,601
Below Minimum Service Level Percentage	20.4%	11.5%	7.9%	4.3%
Total number of households	60,297	60,297	60,297	60,297

HOUSEHOLDS CONNECTED TO ELECTRICITY

The Municipality, through following bulleted Electrification Projects below, funded by the DoE, achieved a total number of 2,136 electrical connections:

- Promised Land
- Diamond Park
- Jacksonville
- Phomolong

A total of 2,136 connections were achieved bringing the total number of households connected to electricity from 55,560 to 57,696 in financial year period 2015/2016.

HOUSEHOLDS NOT CONNECTED TO ELECTRICITY

The number of households not connected to electricity decreased from 4,737 in 2014/2015 to 2,601 in 2015/2016 due to the Diamond Park, Promised Land, Jacksonville and Phomolong Electrification Projects. However, this reduction is based on the actual Census 2011 figures and does not take into consideration the **estimated growth** of about **2,458** that is not reflected in the above backlog.

3.3.4 Households - Electricity Service Delivery Levels below minimum

SPM installs a 60 Amp electrical connection in all low-cost houses as per a Council resolution, whereas the DoE provides for a supply of 20 Amp per household. Top-up funding is normally provided by the municipality. SPM does not install electricity in informal settlements or houses, the area must be formalised and a Surveyor General Layout must be available before any electrification can be done.

Description	2012/2013	2013/2014	2014/2015	2015/2016
	Actual No. of Households			
Formal Settlements				
Total households	60,297	60,297	60,297	60,297
Households below minimum service level	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%
Informal Settlements				
Total households	60,297	60,297	60,297	60,297
Households below minimum service level	12,332	6,907	4,737	2,601
Proportion of households below minimum service level	20.4%	11.5%	7.9%	4.3%

HOUSES NOT CONNECTED TO ELECTRICITY (BELOW MINIMUM SERVICE LEVEL)

The major electricity connection backlogs are in the informal settlements that have not been formalised in terms of surveying and township establishment. The backlog decreased from 4,737 in 2014/2015 to 2,601 in 2015/2016.

The SPM Electrical Department, together with the DOE, proactively ensures that as soon as the area has been formalised, the funding application from the DOE is fast-tracked and the provision of electricity is completed.

3.3.5 Electricity service objectives taken from the IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Save 10MW of electricity during peak times by switching off 2kW geysers of 25,000 households as requested by ESKOM	10MVA	10MVA	10MVA	10MVA	10MVA
	Decrease electricity losses to 15% by 30 June 2016	15%	25.71%	15.50%	19%	15.50%
To ensure sustainable delivery in respect of electricity services to all residents of SPM	446 Additional households connected to the electricity network by 30 June 2016	1,676	2,170	446	2,136	500

COMMENTS

- **Bulk Electricity Supply to SPM**

Eskom is in the process of implementing an additional bulk infrastructure capacity in order to increase the Notified Maximum Demand from 112MVA to approximately 140MVA. Target completion date is December 2015.

- **10MW Electricity Savings**

10MW Electricity saved by switching off of geyser loads during Eskom high demand periods.

- **Electricity Losses**

On-going initiatives to reduce electricity losses include replacement of faulty meters, upgrade of substations and switchgear when funds become available. Illegal connections are also a major challenge.

- **Electrical Connections**

A total of 2,136 Connections were achieved against a target of 446. The connections were achieved through the Diamond Park, Promised Land and Lerato Park Projects.

3.3.6 Employees: Electricity Services

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	4	9	7	2	22.22
Professionals	7	13	7	6	46.15
Technicians & Trade Workers	96	150	98	52	34.67
Clerks & Administrative Workers	24	28	24	4	14.29
Community & Personal Workers	0	0	0	0	0.00
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	2	2	2	0	0.00
Elementary Occupations	4	22	6	16	72.73
Total	**137**	**225**	**145**	**80**	**35.55**

3.3.7 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	557 361	651 594	651 594	645 804	-1%
Expenditure:					
Employees	29 605	32 969	32 969	33 974	3%
Repairs and Maintenance	16 054	16 509	18 038	16 032	-11%
Other	453 547	518 650	517 121	508 283	-2%
Total Operational Expenditure	499 206	568 128	568 128	558 289	-2%
Net Operational Expenditure	(58 155)	(83 466)	(83 466)	(87 515)	5%

3.3.8 Capital Expenditure 2015/2016 – Electrical Services

Capital	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000			%		R'000
Total all Street Lights and Electricity	**11,500**	**24,000**	**28,448**	**132%**	**11%**	**55 400**
Total all Street Lights	**1,500**	**1,500**	**1,484**	**-1%**	**-1%**	**20,000**
Kimberley Street Lights and High Mast Lights	1,500	1,500	1,484	-1%	-1%	1,500
Total All Electricity	**10,000**	**22,500**	**26,964**	**114%**	**12%**	**35,400**
Electrification Jacksonville	7,000	7,000	6,184	-12%	-12%	7,000
Electrification Phomolong		3,000	4,137		-30%	6,000
Electrification Snake Park		2,500	5,316		-64%	7,400
Security of plants		7,000	10,650		52%	15,000
Capitalised from Repairs and Maintenance			677			

3.9 Comment on electricity services performance overall

Electrification Backlog: There has been a positive improvement in the electrical connections for informal settlement households in relation to the 2011 Census backlog of 9,127. A survey was done in 2013 on behalf of National Urban Support Programme (NUSP), and one of the outcomes is an additional growth of approximately 4,236 informal settlement households. This implies that the actual interventions done to reduce the backlog will be nullified by the mushrooming informal settlements that have to be provided with services.

Electrification projects can only commence once the area has been formalised.

Vandalism and copper theft remain a serious challenge.

The Electricity Distribution Section attended to supply interruptions according to NERSA requirements. The table below indicates the restoration times and percentages of power interruptions for the 2015/2016 financial year.

Date	Total No of forced interruptions after which supply was restored	Supply restored within 1.5 hr.		Supply restored within 3.5 hr.		Supply restored within 7.5 hr.		Supply restored within 24 hr.		Supply restored after 24 hr.	
		Target 30%		**Target 60%**		**Target 90%**		**Target 98%**		**Target 100%**	
		Actual	%	Actual	%	Actual	%	Actual	%	Actual	%
July	336	185	55.06	308	91.67	329	97.92	335	99.70	336	100.00
August	266	167	62.78	248	93.23	264	99.25	266	100.00	266	100.00
September	348	213	61.21	328	94.25	339	97.41	348	100.00	348	100.00
October	411	213	51.82	351	85.40	390	94.89	410	99.76	411	100.00
November	391	242	61.89	370	94.63	383	97.95	391	100.00	391	100.00
December	292	164	56.16	271	92.81	285	97.60	292	100.00	292	100.00
January	554	277	50.00	467	84.30	525	94.77	545	98.38	548	98.92
February	318	174	54.72	288	90.57	305	95.91	316	99.37	318	100.00
March	386	197	51.04	342	88.60	373	96.63	386	100.00	386	100.00
April	319	175	54.86	297	93.10	310	97.18	319	100.00	319	100.00
May	355	190	53.52	324	91.27	343	96.62	355	100.00	355	100.00
June	420	233	55.48	383	91.19	408	97.14	420	100.00	420	100.00
TOTAL	4396	2430	55.28	3977	90.47	4254	96.77	4383	99.70	4390	99.86

3.3.10 Occupational Health and Safety

The City Electrical Engineer is also appointed as GMR 2(1) under the Occupational Health and Safety Act (OHS Act), Act No. 85 of 1993 to oversee the safe operation of machinery.

A full-time Occupational Health and Safety Practitioner was appointed in July 2016, under Infrastructure and Services Directorate, to assist and advise all Managers and Line Managers on Occupational Health and Safety matters. Her appointment ensures legal compliance to OHS Act and provides support to Managers and Line Managers to fulfil their duties in terms of the Act.

By means of the NOSA Miracles software application procured as a Health and Safety system management tool, controls were setup in such a manner that the software application enables Executive Management, Managers and Line Manager to actively manage their Risks identified in their respective areas of responsibility.

3.3.11 Operation and Planning Section

The section Operation & Planning of Sub-Directorate Electrical Services has completed the following tasks submitted within the 2015/2016 financial year namely:

Item	Description	Number of tasks
1	Response to correspondence	540
2	Quotations provided to clients	126
3	Calculations done on cable load flows	138
4	Approval of new house plans	93
5	Approval of additions & alterations to houses	692
6	New electrical connection submitted	227
7	Completed area designs & drawings	1,107
8	Area sites inspected	824

3.3.12 Fleet Management Section

The Fleet Management Section is the custodian of the municipal vehicle and machinery fleet. The core responsibility is to manage and maintain a fleet of a total unit of 256. This includes major vehicles and heavy duty machinery excluding small/hand-operated machinery and plant (e.g. lawnmowers). The Fleet Management Section is responsible to ensure that all municipal vehicles and drivers comply with the relevant legislation of the National Road Traffic Act and OHSA. (Load testing and inspection of lifting equipment, testing and certification of pressure vessels, working at heights, relevant training, vehicles licensing, COF's, correct driving license codes etc.)

The Fleet Management Section prides itself in achieving a very low vehicle downtime record of critical fleet which is core service delivery, by proactive planning of maintenance and procuring the services of accredited vehicle specialists and manufacturer's representatives.

Despite the achievements made, there are still major challenges relating to replacement of aged fleet due to insufficient capital funding. This condition impacted negatively on operational and maintenance requirements for visible service delivery sections of the municipality. In an attempt to address this challenge, the municipality is investigating possible interventions relating to fleet management, such as long-term rental and lease agreements on specific fleet units.

An amount of R7.5 million was made available for fleet replacement during the 2015/2016 financial year. The following types of units were procured:

1x 8000lt Sewage Tanker

1x 10T Crane Truck

1x Vacuum/Jetting Truck

1x Grab Truck

1 x TLB

1x 3T Double Cab Truck

2x 1T Long Wheel Base vehicles

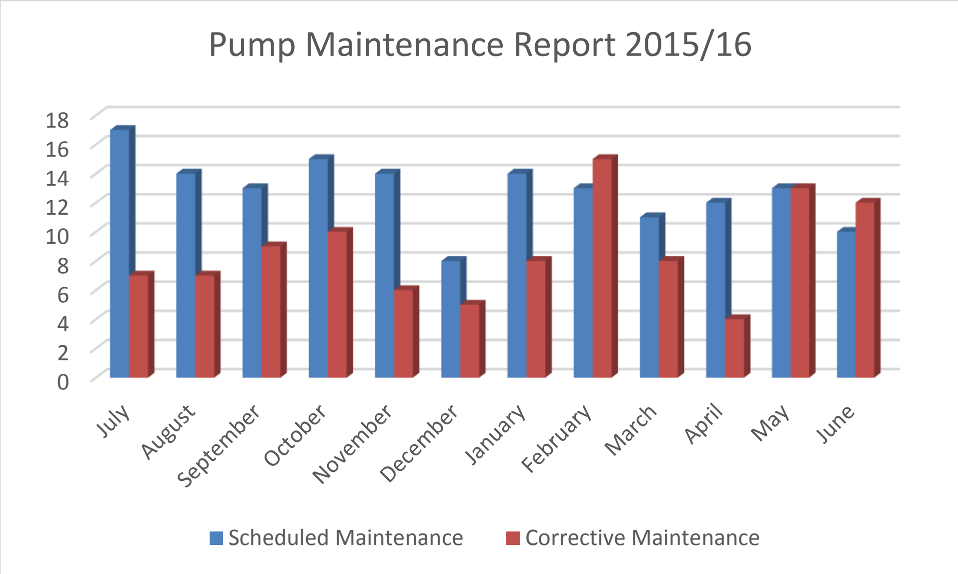
3.3.12.1 Capital Expenditure 2015/2016: Fleet Management

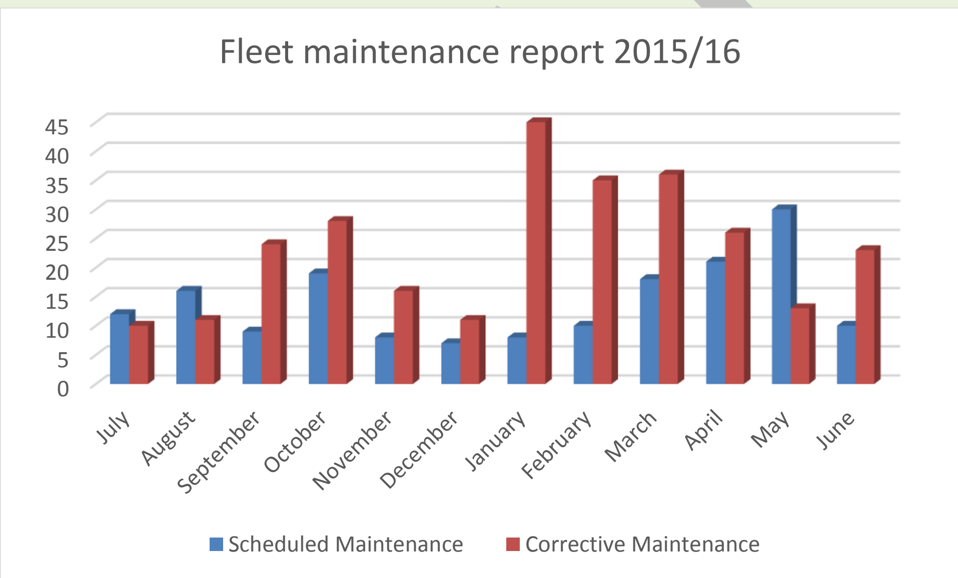
Capital Projects	2015/2016					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Various from Adjustment Budget	Total Project Value
	R'000					R'000
Total All	**4,000**	**7,556**	**6,709**	**49%**	**-21%**	**25,000**
Fleet Replacement Programme	4,000	7,556	6,709	49%	-21%	25,000

3.3.13 Mechanical Engineering and Workshops

The core function of the mechanical engineering section is to provide an efficient and cost effective Mechanical Engineering Support service to Sol Plaatje Municipality. This includes the corrective and scheduled maintenance of the Fleet, Water Purification Plants, Sewage Treatment Plants, Water and Sewer Reticulation Systems. Furthermore, the section is also responsible for the maintenance of the sewer pump stations, pools, machinery and other mechanical related services.

Currently, one of the biggest challenges the section is facing is the vandalism of our sewer pump stations. Additionally, the high staff turnover rate of Artisans is slowly becoming problematic. The section has however trained eight Apprentices that qualified as Artisans in February 2016, a first for Sol Plaatje Municipality.


Pump Maintenance Report 2015/16
18
16
14
12
10
8
6
4
2
0
July
August
September
October
November
December
January
February
March
April
May
June
Scheduled Maintenance
Corrective Maintenance


Fleet maintenance report 2015/16
45
40
35
30
25
20
15
10
5
0
July
August
September
October
November
December
January
February
March
April
May
June
Scheduled Maintenance
Corrective Maintenance

3.4 WASTE MANAGEMENT

3.4.1 Introduction to Waste Management

The main objective of this section is to provide an effective and efficient refuse removal and solid waste disposal for all the residents within the Sol Plaatje Municipal Area.

3.4.2 Solid Waste Service Delivery Levels

Households				
Description	**2012/2013**	**2013/2014**	**2014/2015**	**2015/2016**
	Actual No.			
Solid Waste Removal: (Minimum level)				
Removed at least once a week	51,000	55,663	53,585	53,585
Minimum Service Level and Above sub-total	51,000	55,663	53,585	53,585
Minimum Service Level and Above percentage	100%	100%	100%	100%
Solid Waste Removal: (Below minimum level)				
Removed less frequently than once a week				0
Using communal refuse dump				0
Using own refuse dump				0
Other rubbish disposal				0
No refuse disposal				0
Below Minimum Service Level sub-total	–	–	–	0
Below Minimum Service Level percentage	0.0%	0.0%	0.0%	0.0%
Total number of households	**51,000**	**55,663**	**53,585**	**53,585**

NB: The number of households increased in 2013/2014 for the collection of refuse. However, in the following year 2014/2015, the reduction of the number of households where refuse is collected is due to the provision of a basic service (the availability of skips in Platfontein); instead of a full weekly collection service. This number remains the same for 2015/2016.

3.4.3 Households – Solid waste service delivery levels below the minimum

Households					
Description	2012/2013	2013/2014	2014/2015	2015/2016	
	Actual No.			Adjusted Budget	Actual
				No.	
Formal Settlements					
Total households	2,000	2,000	2,000	2,000	2,000
Households below minimum service level	2,000	2,000	2,000	2,000	2,000
Proportion of households below minimum service level	100%	100%	2,000	2,000	100%
Informal Settlements					
Total households	8,000	8,000	8,000	8,000	8,000
Households below minimum service level	8,000	8,000	8,000	8,000	8,000
Proportion of households below minimum service level	100%	100%	100%	100%	8,000

3.4.4 Waste Management Service Objectives Taken From IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/201
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Provide weekly refuse collection to 52,000 households in Sol Plaatje by 30 June 2016	N/A	N/A	52 000	53 585	N/A

3.4.5 Employees: Waste Management

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	0	0	0	0.00
Other Managers	1	7	1	6	85.71
Professionals	0	0	0	0	0.00
Technicians & Trade Workers	0	0	0	0	0.00
Clerks & Administrative Workers	0	9	1	8	88.89
Community and Personal Workers	2	5	2	3	60.00
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	21	75	26	49	65.33
Elementary Occupations	74	253	81	172	67.98
Total	**98**	**349**	**111**	**238**	**68.19**

3.4.6 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**47 936**	**54 128**	**53 928**	**53 997**	**0%**
Expenditure					
Employees	23 345	27 129	27 129	27 556	2%
Repairs and Maintenance	4 329	14 800	14 503	13 092	-12%
Other	13 631	7 799	8 096	6 427	-18%
Total Operational Expenditure	**41 305**	**49 728**	**49 728**	**47 075**	**-5%**
Net Operational Expenditure	**(6 631)**	**(4 400)**	**(4 200)**	**(6 922)**	**57%**

3.4.7 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

3.4.8 Comments on Performance Overall

Several projects have been embarked upon in the Waste environment. The largest project being the infrastructural upgrade of the Waste Disposal Site. This project is still on-going and completion is envisaged in February 2017.

The waste collection services have been maintained and a high percentage of households receive a weekly collection service. A daily waste collection service is also provided in the commercial areas of the city. However, despite this, a major problem experienced through-out all areas within the City is illegal dumping of refuse and littering. This practice puts an immense strain on the resources of the Waste Services.

Several new vehicles were procured during the financial year under review and this increase in capacity has enabled service delivery to be expanded.

A process of filling of vacant posts was completed and the vacancies of drivers and general assistants were filled. To encourage and implement recycling initiatives, five buy-back

centres have been established in residential areas. This was done in collaboration with the Departments of Environmental Affairs and Social Development. Several private companies have come to the fore to assist with the buy-back centres. Initiatives are being investigated to improve the waste collection services and to provide at least a basic service so as to eradicate the existing back-log.

3.5 HOUSING

3.5.1 Introduction to Housing

Housing provision is a provincial government function administered by Department of Corporative Governence, Human Settlement and Traditional Affairs (CoGHSTA). However SPM is accredited, at level 2, to implement subsidy administration and housing development. SPM is primarily responsible for ensuring housing development readiness status in accordance with CoGHSTA housing strategy. This includes identification of projects as prioritised on the IDP which must then be budgeted for under the DoRA.

The municipality has taken steps to ensure that the following activities are in place:

- Credible IDP
- Land use management that supports human settlement
- Township establishment
- Policies
- Beneficiary database maintenance (linked to National)
- Land invasion control.

During the financial year under review CoGHSTA, as the custodian of human settlement in the province, took a decision to reinforce project management capacity in housing delivery. This development resulted in CoGHSTA establishing its internal Project Management unit (PMU) to accelerate housing development. This decision also affected SPLM and some of the projects were taken over from SPM.**The National Upgrading Support Programme (NUSP)**

The programme was initiated by National Department of Human Settlements, and Sol Plaatje Municipality was identified to one of the participants in the programme. The mandate of the NUSP programme is to support Municipalities with formalisation and infrastructure upgrading of informal settlements in their municipal area. Out of twenty-nine informal settlements, eleven settlements totalling 4,813 sites, are currently being formalised, and these are:

- Snake Park .... 1,700 sites
- Ivory Park.................. 1,174 sites
- Diamant Park .... 892 sites

- Kutlwanong .... 48 sites
- Colville .... 130 sites
- Santa Centre .... 139 sites
- Phomolong .... 269 sites
- Greenpoint .... 155 sites
- Waterloo....................... 230 sites
- Soul City .... 48 sites
- Beaconsfield................... 28 sites

The NUSP has enabled the municipality to integrate human settlement interventions.

Integrated Residential Development Programme (IRDP)

The IRDP is a housing delivery programme which deals with the individual housing subsidy as well as rectification of post-1994 housing stock. Under this programme Sol Plaatje Municipality benefited 522 housing units, delivered under shared efforts by SPM and CoGHSTA.

Community Residential Units (CRUs)

The Community Residential Unit programme was designed to cater accommodation for families who could not afford marked related rental units. Currently there is a CRU project being implemented by Province which consists of four hundred and eighty one (481) rental units of different sizes. The first phase of this project consists of approximately 120 units to be completed towards end of November 2016.

The Municipality has a rental stock of 936 units. The demand for these units is very high due to high demand for the Gap Housing Market. However, sustainability of CRUs maintenance is compromised due to high default in rental payment. In order to address this challenge, the municipality is currently exploring more effective methods of enhancing revenue collection strategies.

Challenges in housing provision

The demand for housing is fast outpacing the rate at which CoGHSTA can provide funding for development. Although the municipality has made an effort to plan and avail land for future housing developments, these efforts worked against the municipality where illegal occupation of land became a norm. This condition has also compromised SPMs housing readiness status.

3.5.2 Percentage of households with access to basic housing

Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2011/2012	56,393	47,643	85.0%
2012/2013	60,297	49,214	81.6%
2013/2014	60,297	49,214	81.6%
2014/2015	60,297	49,589	82.2%
2015/2016	60,297	50,111	83.1%

3.5.3 Housing Services Objectives Taken From IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and storm water services to all residents of SPM	409 Additional Households to be provided with a subsidised house by 30 June 2016	375	375	409	529	N/A

3.5.4 Employees: Housing

Job Level	2013/2014	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	0	1	100.00
Other Managers	2	2	1	1	50.00
Professionals	0	0	0	0	0.00
Technicians & Trade Workers	2	2	2	0	0.00
Clerks & Administrative Workers	3	4	3	1	25.00
Community and Personal Workers	20	20	20	0	0.00
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	0	0	0	0	0.00
Elementary Occupations	22	48	34	14	29.17
Total	**49**	**77**	**60**	**17**	**22.08**

3.5.5 Financial Performance 2015/2016

Details	2013/2014	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	11 062	9 396	9 396	9 529	1%
Expenditure					
Employees	14 657	16 660	16 660	16 501	-1%
Repairs and Maintenance	993	1 176	1 152	995	-18%
Other	6 682	3 961	3 985	6 898	43%
Total Operational Expenditure	22 332	21 797	21 797	24 394	11%
Net Operational Expenditure	11 271	12 401	12 401	14 865	17%

3.5.6 Expenditure: Housing

Capital	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000			%		R'000
Total All	**–**	**29 639**	**30 969**	**100%**	**4%**	**27 053**
Ritchie 428 Housing Project, 100 units		6 122	6 536	100%	7%	6 536
Galeshewe Infill areas Housing Project: 50 units		2 895	–	–	-100%	2 895
Phutanang 491 Housing Project: 55 units		3 880	4 313	100%	11%	3 880
Soul City 750 Housing Rectification Project: 200 units		13 742	20 120	100%	46%	13 742
Diamant Park 1500 Planning & Surveying		3 000	–	–	–	–
Lerato Park Integrated Housing Project: 491 units	Provincial project: Information not received					

3.5.7 Comment on the Performance of the Housing Service Overall

The Municipality targeted to construct 409 households with BNG (Breaking New Grounds) houses in 2015/2016 financial year. COGHSTA through its Project Management unit (PMU) constructed 267 of the 409 houses in Promised Land. Therefore, the total number of houses constructed for the financial year was 522 units.

Project Area	Number of Houses built
Lindelani	65
Promised Land	72
Rectification of houses	46
Jacksonville	68
Individuals	4
Total houses number of houses built	255

As indicated above, insufficient funding to eradicate all housing backlogs remains a challenge for Sol Plaatje Municipality. The current housing backlog in terms of Census 2011 statistics is 7,846 households. At the rate at which funding is provided, backlogs relating to housing delivery will take much longer eradicate the current and future demand.

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

3.6.1 Introduction to Free Basic Services and Indigent Support

The Indigent Policy of the municipality recognises indigent households as households with the following distinct characteristics that are also criteria to qualify and receive free basic services:

- Full-time occupant of the property
- Account holder (municipal account)
- Use of municipal services
- Total household income must not exceed R3 750 per month
- Child headed households
- Beneficiaries of low cost free basic house funded through subsidies and grants

It is expected that the account holder will complete an application form to register as an indigent. If the applicant meets all of the criteria, they will be entitled to free basic services on a monthly basis. A site verification visit will be performed and the applicant will be interviewed within a two-year period to confirm their declarations in the application. Thereafter, site verifications will be conducted at least every two years.

As an exception to the above criteria and process, the Municipality has determined certain geographical areas as indigent. The households within these areas will be registered as indigent by reason of their location within a particular designated area but will also be individually verified within a two-year period.

The municipality installs a prepaid electricity meter at own cost to all qualifying households to ensure that the electricity bill is easily managed and to enable the customer to claim free units per month. The municipality provides the following services to indigent households who qualify:

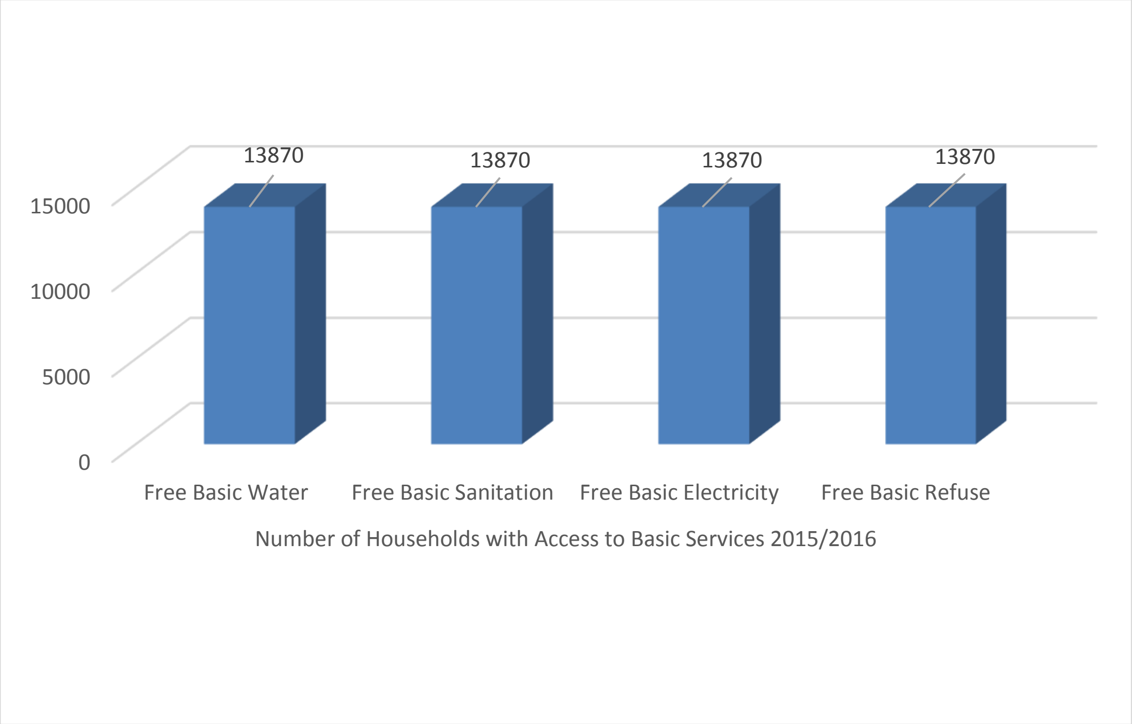
- 50Kwh of electricity per month
- 6Kl of water per month
- Refuse removal (full subsidisation)
- Sanitation (full subsidisation)

It is incumbent upon the indigent household to declare any change in their status that will necessitate review of the allocation.

One of the most important provisions in the Policy recognises and defines the incidence of Child Headed Households. It was recognised that this is quite a prolific circumstance in the Sol Plaatje municipal area and that these types of households were at risk as the policy did not make express allowance for them. An extract from section 5 of the Indigent Management Policy expounds on this category below:

> *Child-headed households shall qualify automatically for subsidisation in line with this policy. A child shall be any person who is 18 years and younger. Such applicants shall be assisted by the ward councillor and all documentary proof shall serve as evidence prior to qualification.*

3.6.2 Free Basic Household Services



3.6.3 Free Basic Services to Low Income Households

Period	Number of households											
	Total	Households earning less than R3 750 per month [2]										
	[1]	Total	Target	Revised	Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
					Access	%	Access	%	Access	%	Access	%
2013/2014	60,297	24,541	12,000	12,000	5,792	48%	5,792	48%	5,792	48%	5,792	48%
2014/2015	60,297	24,541	12,000	12,000	13,395	112%	13,395	112%	13,395	112%	13,395	112%
2015/2016	60,297	24,541	12,000	12,000	13,870	116%	13,870	116%	13,870	116%	13,870	116%

3.6.4 Free Basic Service Policy Objectives taken from IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery in respect of water and sanitation, electricity and solid waste removal services to all residents of SPM	12 000 Indigent households to receive free basic services (water, electricity and waste removal according to national guidelines) by 30 June 2016	12,000	13,395	12,000	13,870	14,000

3.6.5 Comment on the Performance of Free Basic Service Overall

The income threshold of R3 750 per month per household is substantially higher than the national norm. Because of the level of unemployment and the migration of labour to other cities, it is submitted that households in the Sol Plaatje Municipal area have far more occupants than the national average where multiple generations and extended family all reside in one property. To illustrate, one household may contain ten residents with a collective income of no more than R3 750 (subsistence of R375 per person) versus a national income threshold of e.g. R2 500 where the national norm for residents in a household may be five (subsistence of R500 per person). Consider also the levels of basic services provided where a household of ten have to get by with 50kWH of electricity and 6KL of water per month compared with a household of five sharing the same level of service.

Our challenge is that we lack more accurate statistics to conduct a proper analysis of the level of basic services that are needed by our Municipal community and we also contend that we have not yet reached all of our indigent households as the number may be as great at 25,000. This information is required to increase the levels of, and the funding for, basic services. With the establishment of the Sol Plaatje University it is intended to approach them for assistance in the conducting of various polls and research with a view to better understand our indigent community's needs.

We are experiencing a high incidence of water wasting by indigent households. This is mainly attributed to leaks and, in some cases, the irresponsible use of water. As a result, the indigent debt on average is increasing and it is necessary to consider the use of technology to better regulate water consumption and reduce losses.

Cost to Municipality of Free Basic Services Delivered					
Services Delivered	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to OB
Water	5 039 730	3 842 526	3 842 526	3 067 188	-20%
Waste Water (Sanitation)	21 921 765	16 712 842	16 712 842	13 340 556	-20%
Electricity	10 520 612	8 449 723	8 449 723	6 744 891	-20%
Waste Management (Solid Waste)	15 641 513	11 924 211	11 924 211	9 518 165	-20%
Total	**53 123 620**	**40 929 302**	**40 929 302**	**32 670 800**	**-20%**

COMPONENT B: ROADS AND STORM WATER

3.7 INTRODUCTION TO ROADS AND STORM WATER

Roads and Storm Water section provides an effective, competitive and responsive infrastructure by ensuring continuous maintenance, refurbishment, upgrade and replacement of existing roads and storm water infrastructure assets in order to sustain service delivery and infrastructure development in the municipality.

By ensuring effective roads and Storm Water systems, this section contributes towards facilitating economic growth and social development, improving traffic flow and traffic safety by alleviating traffic congestion.

ROADS AND STORM WATER STATUS QUO

Due to the number of new formalised township areas over the past few years, the roads network in Sol Plaatje jurisdiction has increased to approximately 812km, with 234km thereof being gravel or dirt roads. This has, as a result, increased maintenance demand of gravel roads in the informal and newly developed areas within the municipal jurisdiction.

The maintenance of gravel roads is catered for from operational budget, although the backlog keeps escalating due to limited funds which are allocated for this particular task, in relation to the rate in which new settlements are growing and old settlements are deteriorating. No provision is normally made for road infrastructure in informal areas although the need for maintenance exists, thereby resulting in the dilapidation of the few access gravel roads which are there.

Most tarred roads within the municipality can be classified as being between fair to poor, with very few being very poor, in exception of those that were recently resealed in the past three years or so. Excessive brittleness and premature ageing are clearly visible due to extreme weather conditions and insufficient preventative maintenance over the years. Paved roads, especially in township areas, seem to be holding well over time, with very little maintenance demand.

Most suburbs in Kimberly are formed in a grid pattern thus providing sub-catchment areas that are in general of a rectangular geometric shape. There is mainly major collection infrastructure along some of the main roads, and internal roads have shallow side v-drains, most of which are of inadequate size. This is apparent with the presence of excessive

siltation that can be observed throughout the side drains. Major collection infrastructure is in most cases parallel to the contour lines, hence not providing sufficient slope to allow adequate water flow and self-cleaning velocity. Since the infrastructure is mostly perpendicular to the natural flow path, this resulted in the increase of the size (width and depth) of the system to try and compensate for the flat terrain.

ROADS INFRASTRUCTURE CHALLENGES

Despite extensive progress made in the 2015/2016 financial year, the section is still faced with major challenges emanating from old infrastructure, excessive heavy vehicles on municipal streets, and inadequate resources to meet the required minimum preventative maintenance. In an attempt to address these challenges, the municipality has adopted an initiative and strategy of continuous road infrastructure capital investment, which saw the implementation of the following projects in the 2015/2016 financial year.

- Resealing of Roads
- Upgrading of Lindane Roads and Storm Water

These projects were aimed at extending the lifespan of roads that were being resealed, as well as increasing the level of service of certain streets by upgrading them from gravel to paved surface. All other gravel roads which have not yet been upgraded to a paved surface, regular scraping and grading is done in order to keep the roads accessible.

STORM WATER INFRASTRUCTURE CHALLENGES

The municipality has approximately 98km of underground storm water systems, complemented by 38km of major arterial storm water open canals.

- Sol Plaatje Municipality still suffers from inadequate storm water infrastructure, specifically in previously disadvantaged areas. This poses a great risk of potential flooding and litigation to Sol Plaatje Municipality. The flat topography of the municipality with its mild slopes and slight gradients also contributes heavily to the slow storm water run-off, which results in accumulated run-off and flooding.
- The Storm Water infrastructure network within the municipality is under severe pressure, as the rainfall patterns over the years have enormously changed, resulting in less frequent but high intensity rainfalls which may lead to flooding. The misuse, dumping into, and vandalism of the Storm Water infrastructure is not making the situation any better, as it contributes to the frequent blockages and deficiency.

- The Tlhageng catchment area remains the most adversely affected part of the Storm Water network as it accumulates almost half the city's Storm water runoff, hence minor rehabilitation was done to the retention dam in the financial year under review to increase the capacity of the dam. Furthermore, with the assistance of funding from the Galeshewe Urban Renewal Program (GURP) unit, the Galeshewe Storm Water Master Plan was compiled, which will guide the upgrading and rehabilitation of any Storm Water facility within this catchment area.

3.7.1 Gravel Road Infrastructure

Kilometres				
Period	**Total gravel roads**	**New gravel roads constructed**	**Gravel roads upgraded to tar**	**Gravel roads graded/maintained**
2013/2014	212	12	4	91
2014/2015	208	0	4.5	52
2015/2016	234	26	2.74	70

3.7.2 Tarred Road Infrastructure

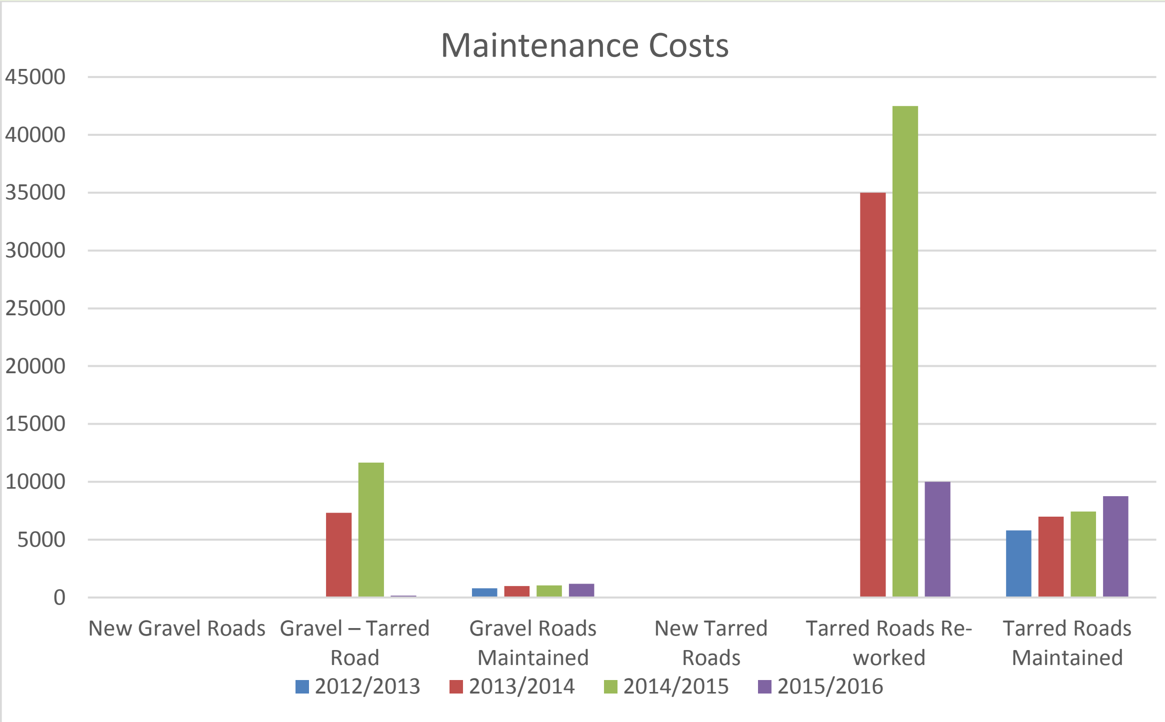
Kilometres					
Period	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2013/2014	570	4	20	28	49
2014/2015	574	4.5	17	32	51
2015/2016	578	2.74	7	7	63

3.7.3 Cost of construction/maintenance

Period	Gravel			Tar		
	New	Gravel – Tar	Maintained	New	Re-worked	Maintained
	R'000					
2013/2014	0	7 319	1 000	0	35 000	7 000
2014/2015	0	11 656	1 060	0	44 441	7 420
2015/2016	0	169	1 188	0	10 000	8 748

3.7.4 Road Infrastructure Cost

Bar chart depicting road infrastructure costs



3.7.5 Roads and Storm Water Service Objectives taken from IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development

Strategic objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Paving of 2,5 km residential roads by 30 June 2016	4Km	11,9Km	2,5Km	2.74km	3km

3.7.6 Employees: Roads and Storm Water

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	1	1	1	0	0.00
Professionals	2	2	2	0	0.00
Technicians & Trade Workers	4	6	4	2	33.33
Clerks & Administration Workers	2	2	2	0	0.00
Community and Personal Workers	1	1	1	0	0.00
Sales and Service Workers	0	0	0	0	0.00
Plant & Machine Operators	8	22	8	14	63.64
Elementary Occupations	44	126	46	80	63.49
Total	**62**	**161**	**65**	**96**	**59.63**

3.7.7 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	**28**	**1**	**1**	**32**	**30.91%**
Expenditure					
Employees	14 810	21 007	21 007	22 658	8%
Repairs and Maintenance	21 704	10 747	14 617	13 612	-7%
Other	765	746	876	818	-7%
Total Operational Expenditure	**37 279**	**32 500**	**36 500**	**37 088**	**2%**
Net Operational Expenditure	**37 251**	**32 499**	**36 499**	**37 056**	**2%**

3.7.8 Capital Expenditure 2015/2016

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from Adjust. Budget	Total Project Value
	R'000			%		R'000
Total All Roads and Storm water	**–**	**10 000**	**10 835**		**8%**	**52 000**
Total All Roads	**–**	**10 000**	**10 835**		**8%**	**52 000**
Resealing of Roads	–	10 000	10 835			52 000

3.7.9 Comment on the Performance of Roads and Storm Water Services Overall

The Roads and Storm Water section has worked out a medium term strategic plan to address its infrastructure challenges, and they can be summed up in these four strategic projects.

- **Roads and Storm Water Master Plans**

Kimberley and its surrounding areas of jurisdiction are fairly well developed settlement areas, with an opportunity for further development. These developments will impact further on storm water flow, especially when gravel roads are upgraded to paved surface, thus increasing the surface runoff velocity and accumulation. Storm water is a regional problem that does not respect the boundaries between jurisdictions, between public and private properties, or between established areas and new developed. It is therefore imperative that planning of all transport related infrastructure, as well as that of storm water infrastructure, are well integrated with all municipal human settlement and industrial development plans.

- **Upgrade of gravel roads**

A number of residential areas in Kimberley that are considered Previously Disadvantaged Areas are mostly within the older parts of Galeshewe, Roodepan and Ritchie. The roads are therefore mostly gravel and are continuously deteriorating due to the increased traffic volumes in those areas. This is made worse by the topographical characteristics of the areas which are flat, and contribute to inadequate storm water flow thus requiring more frequent maintenance.

These roads therefore need to be upgraded to an interlocking block paved or a tarred surface in order to improve riding quality and manage erosion, and better control storm water runoff. The municipality has however already embarked on a continuous programme focused at upgrading of roads, mostly funded through infrastructure grants.

- **Resealing of Roads**

As is the case with other local municipalities in the country, Sol Plaatje municipality is faced with extreme pressures on its limited resources to address backlogs in provision of services to communities that were either under-serviced or not serviced at all, while at the same time sustainably maintaining existing aging service infrastructure. Considering the fact that some of our tarred roads are over 20 and 30 years old, it has become more and more expensive to maintain them as they have become vulnerable to rain and extreme weather conditions. The municipality is however countering this challenge with the rollout of a resealing project, which has seen over R80 million being spent in the resurfacing of roads over the past three years.

- **Tlhageng Retention Dam**

Kimberley is situated on a high point in the natural topography and drains in all directions, but most noticeably towards Gogga pump station within the Tlhageng Catchment area. In order to restrict flow and better manage storm water outflow, there is a flood control structure that holds back flood water for a short period to take the peak off a downstream flood. This catchment area is the most critical element of Kimberley's storm water systems. Past experiences which saw the dam wall breaking and often overflowing during heavy rain has raised questions with regards to the efficiency of the dam, its safety, capacity and overall design. A detailed hydrological study is required to assess the condition of the dam and come up with rehabilitation and upgrade measures.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: Strategic Planning and Economic Development.

3.8 STRATEGIC ECONOMIC DEVELOPMENT AND PLANNING

3.8.1 Introduction

The Directorate Strategy, Economic Development and Planning (SEDP) constitutes five sub-directorates, i.e. Local Economic Development (LED), Fresh Produce Market, Property Services, Urban Renewal Programme (URP) and Town Planning Services. LED comprises of Tourism, Investments Promotion, SMME Support and Area-Based Management. The SEDP directorate is the brain-nerve of Sol Plaatje Municipality and plays a pivotal role in the growth and development of the city in general terms from determination of spatial distribution to economic proposition and positioning of the City.

This section aims to give high level synopsis of what SEDP entail, successes, key governance issues, as well challenges.

SEDP Vision

Creation of quality urban spaces for sustained development and growth.

SEDP Mission Statement

Promote sustainable local socio-economic and environmental development through sound urban planning and land use management.

ACHIEVED STRATEGIC PROJECTS AND INITIATIVES

- **Urban Network Strategy** (UNS) focuses on transformation of the spatial form particularly in economic depressed cities or former mining towns. The UNS is divided into primary and secondary hubs of which, in the case of Sol Plaatje Municipality, the CBD is the primary hub whilst Galeshewe is the secondary hub. The rationale is to promote Transit Orientated Development (TOD) along arterial roads, and the first priority is to improve transport linkages between the primary and secondary hub in terms of transport facilities, as a result the Bus lay-bys and walkways project commenced in the last quarter of 2015/2016 and is envisaged to continue in 2016/2017.

- **Spatial Development Framework (SDF)**: The town planning sub-directorate is on the verge of completion of the Review of Spatial Development Framework (SDF) in line with the new Spatial Planning and Land Use Management Act (SPLUMA, Act No. 16 of 2013) principles and the National Development Plan (NDP). Once completed, the SDF will guide future spatial development and locations of the city's future.

- **Implementation of SPLUMA**: The Municipality has successfully constituted its Municipal Planning Tribunals (MPT) and Municipal Appeal Tribunals (MAT) which deals with land use applications and application appeals respectively. In 2015/2016 MPT meeting has since convened, and more meetings are anticipated to continue in future on a bi-monthly basis. The primary role of MPT is to make determinations on land use applications including rezoning, removal/suspension of restrictive conditions, township establishments, etc.

GOOD GOVERNANCE

The effectiveness and efficiency of the SEDP Directorate is effectively realised and equally premised on inter-sectoral partnerships with different partners including other municipalities and different spheres of government. In the financial year 2015/2016, SEDP has accelerated governance issues through numerous partnerships and benchmarking with a view to effectively executing its developmental mandate and to ensure good governance.

Through the Urban Renewal Programme, SEDP has forged partnerships with the Department of Energy (DOE) with a view to establishing the first Integrated Energy Centre (IEC) in the municipal jurisdiction which will be owned and managed by a co-operative. Effective implementation of this initiative will be as a result of agreement and financial commitments by all affected entities.

In addition, SEDP embarked on a residential business benchmarking exercise with the George Municipality to explore how best the municipality could enhance its land use management systems and revenue collection with regards to residential businesses. Lessons learnt on this exercise have been incorporated on SEDPs plans and programmes as at 2016/2017.

Also, the Fresh Produce Market has started to engage with the City of Johannesburg Market and Department of Agriculture Forestry and Fisheries (DAFF) to explore how best could the Market be economically viable and contribute in growing the Municipal Gross Domestic Product. Positive spin-offs are anticipated downstream once all entities commit to own deliverables, financially and non-financially. SEDP is busy implementing an initiative dubbed Code of Best Practice Strategy as championed by DAFF for all municipalities with

municipally owned Fresh Produce Markets. This is a continuous process and engagement with DAFF is envisaged to sustain in 2016/2017.

Sol Plaatje University partnered with SEDP and the Municipality on a 'Smart Park Project' so as to create an innovative space for students and community through establishing of Wi-Fi hotspots north of SPM offices - Oppenheimer Gardens. Engagements with High Court judges in partnership with SPU Vice Chancellor and ED: SEDP have since ensued, and again, anticipation of commencement of implementation is envisaged as at 2016/2017 onwards. It must be mentioned that this would be amongst the first publicly accessible open spaces the entire SPM would have Wi-Fi access, albeit it is SPUs initiative. SPM has to budget for this initiative to enhance the initiative even beyond the space it is in currently.

PERSONNEL SKILLS DEVELOPMENT

Skills development for staff members is an on-going practice aimed at enhancing skills for the workforce. This is done through SPMs Human Resources department.

CHALLENGES

SEDP continues to be challenged by unfunded mandates such as effective execution of LED initiatives, including Tourism initiatives, management of SMME Village and Ritchie Business Incubation Centre. A Non-Profit Company (NPC) was established to assist in playing an advisory role and monitoring of incubator centres.

Land invasions, particularly on areas earmarked for township establishments, remains a challenge as the process cannot be completed timeously, thus leaving the entire process of release of title deeds eventually affected.

Budgetary constraints for filling of critical vacant positions hinder effectiveness of some sections of the Directorate such as the Building Inspectorate, Fresh Produce Market and LED to name just a few.

3.8.2 Employees: SEDP

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.00
Other Managers	9	21	9	12	57.14
Professionals	4	19	6	13	68.42
Technicians & Trade Workers	14	29	15	14	48.28
Clerks & Administrative Workers	33	61	34	27	44.26
Community and Personal Workers	0	5	0	5	100.00
Service and Sales Workers	0	7	0	7	100.00
Plant & Machine Operators	0	2	0	2	100.00
Elementary Occupations	24	34	22	12	35.29
Total	**85**	**179**	**87**	**92**	**51.40**

The Strategic Planning and Economic Development Directorate include the following sections:

- Urban Planning
- Property Services
- LED
- Fresh Produce Market
- GURP

3.9 URBAN PLANNING

The Urban Planning Division is a strategic Division within the municipality mandated to “Manage the spatial planning of various land uses i.e. industrial, institutional, residential and various business”. The Division is a sub-directorate within the Directorate (Strategy, Economic Development and Planning) and has two main sub-sections namely: Town Planning and Building Control Section: The Urban Planning Division oversees:

- Town Planning services i.e. provision of zoning information and processing of various land use applications i.e. rezoning applications.
- Building Control: Plan submission, inspection and (dis) approval thereof.
- Development Enforcement: Enforcement of town planning scheme rules – prosecution of illegal land uses.
- Maintenance of municipal owned buildings.

Town Planning is central in developing and promoting an integrated town committed to addressing spatial injustices and guides development towards a vibrant, resilient and sustainable urban and rural areas.

SUCCESSES IN 2015/2016

SPLUMA IMPLEMENTATION

The new Spatial Planning and Land Use Management Act (SPLUMA) was enacted in 2013 and certain Sections of the Act came into operation as from July 2015. SPLUMA is a framework act for all Spatial Planning and Land Use Management legislation in South Africa. It seeks to promote consistency and uniformity in procedures and decision-making in this field. The biggest point of departure from older planning legislation, is that municipalities will be solely responsible for processing and dealing with land use applications and the appeals relating thereto unlike in the past whereby the appeals were referred to the Northern Cape Provincial Planning Tribunal.

Amongst other achievements, the municipality is ready and currently implementing SPLUMA as the Land Use Planning By-Law was gazetted in August 2015 and became fully operational as of the date of gazette. Furthermore, the Municipality managed to establish the MPT (Municipal Planning Tribunal) as well as the MAT (Municipal Appeal Tribunal) and appointment of a Designated Officer to deal with non-complex land use applications i.e. sub-divisions, consolidations and consent uses.

The implementation of SPLUMA will drastically reduce turnaround time frames for processing of land use applications as the MPT (Municipal Planning Tribunal) will take decisions on land use applications as opposed to the previous modus operandi whereby council was taking decisions on various land use applications.

Moreover, the Municipality is currently rated 100% SPLUMA compliant by the National Department of Rural Development.

The implementation of SPLUMA has encouraged opportunity for economic growth stimulation and investment within the municipality's jurisdiction as land use applications occur at a faster and quicker rate.

LAND USE MANAGEMENT BY-LAWS ENFORCEMENT

The municipality has gazetted the by-laws in August 2015 and became fully operational. All the land use applications were submitted in terms of the newly gazetted land use by-laws 2015. The by-laws will also act as a stimulus to fast track land development and also give effect to the municipal planning function allocated to municipalities in terms of Part B of Schedule 4 of the Constitution.

REVIEW OF THE SOL PLAATJE SPATIAL DEVELOPMENT FRAMEWORK

The Municipal Systems Act (2000) in particular Section 26 of the Act as well as Section 20 of the Spatial Planning and Land Use Management Act requires each and every municipality to have a spatial development framework which spatially outlines the IDP priorities for the municipality. The Municipality is currently in the process of reviewing its SDF.

Various milestones have been achieved in the financial year 2015/2016 and are the following:

- Phase 1: Inception
- Phase 2: Vision and Mission
- Phase 3: Spatial Synthesis
- Phase 4: First Draft Spatial Development Framework

A series of meetings in all the above-mentioned phases were conducted in the form of Project Steering Committee, Technical Committees as well as presentation to Mayoral Committee to ensure accurate and sufficient buy-in from various role players.

The other phases, phases (5, 6, and 7) will unfold in the financial year 2016/2017 and also extensive public participation will unfold to ensure sufficient buy-in from public and private sector as well as the municipal council. Amongst other objectives the Spatial Development Framework will play a vital role in identifying key spatial structural elements for developing the municipality and also promoting integration amongst communities.

NATIONAL BUILDING CONTROL CONVENTION

The Urban Planning Division in collaboration with Department of Trade and Industry as well as NRCS (National Regulator for Compulsory Specification) successfully hosted the National Building Control Convention on the 26 November 2015 which is a platform for private and public sector to share ideas on the implementation of National Building Regulations and Standards.

Furthermore, the convention aimed to remind members of the public on the regulations governing the building industry. Below are the photographs taken at the convention Frances Baard District Municipality Conference rooms:

Insert two pics from Mr Modiba

TOWNSHIP ESTABLISHMENT (PLANNING & SURVEYING)

The Urban Planning Division has also embarked on the process that leads towards the security of tenure for its residents. The target for the financial year 2015/2016 was 2,000 erven and the municipality has registered the following townships at the SG offices in Bloemfontein:

- Snake Park (Phase 1) 405
- Ivory Park 1,175
- Santa Centre 139
- Kutlwanong 49
- Phomolong 269
- Promised Land 692

Total Erven 2,729

The formalisation of Snake Park Informal settlement is a collaboration between SPM, HDA (Housing Development Agency). The entire project consists of 1,660 Erven and to date only

Phase 1 (405 Erven) have been successfully completed, and furthermore the SG diagram was endorsed by the SGs office in November 2015.

Phases 2 & 3 are still outstanding due to the following reasons:

- Lack of relocation site of small-holding farmers.
- Clearance and the rehabilitation of Phase 3.

Furthermore, there are proposed Township Establishment projects in progress which aim to formalise the following informal settlements:

- Soul City.
- Witdam.
- Ramorwa.

The above-mentioned projects will be finalised in the financial year 2015/2016. Moreover, the Urban Planning Division have conducted technical studies such as geo-tech for various settlement areas in order to determine the soil suitability.

MAINTENANCE OF PROPERTIES

The maintenance of properties managed to renovate the old Kamertjies in Galeshewe in order to improve the aesthetical look of the semi-detached house. The project was greatly welcomed by the communities as a sense of belonging was instilled in the members of community. The photographs below indicate before and after the work have been completed.

INSERT TWO PICS FROM MR MODIBA

Furthermore, the maintenance team revamped the old storage facility into eleven offices for Supply Chain Management at the municipal council yard. The renovations were done by the maintenance team internally and only building materials were outsourced.

INSERT TWO PICS FROM MR MODIBA

The maintenance team will continue to embark on similar initiatives in the following financial year.

CHALLENGES

Illegal Residential Businesses

The high unemployment figures are impacting on the control of land usage as often the communities resort to the opening of illegal tuck-shops as a means of living and sustaining themselves.

The urban planning control have embarked on various awareness campaigns as well as raids with SAPS, National Liquor Board and Home Affairs to inform the members of the public about the consequences that may be faced as a result of illegal residential business i.e. fines and imprisonment where liquor is sold illegally. This remains a challenge as there is potential loss of rates and taxes in illegal land uses.

High Staff Turnover

The resignation of professionals poses a threat to the day to day production of the unit. This also has impact on service delivery as changing of project managers has impact on the implementation of projects.

The maintenance team will continue to embark on similar initiatives in the following financial year.

3.9.1 Applications for Land Use Development

Detail	Formalisation of Townships		Rezoning		Built Environment	
	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016
Planning application received	6	9	32	52	1,105	780
Determination made in year of receipt	2	6	27	15	765	615
Determination made in the following year	4	3	24	37	147	135
Applications withdrawn	0	0	0	0	0	0
Applications outstanding at year end	4	3	29	37	193	30

NB: It must be noted that there has been legislation transformation in terms of the processing of Land Use Applications i.e. from processing via Northern Cape Planning and Development Act (Act No. 7 of 1998) to Spatial Planning and Land Use Management Act (Act No. 16 of 2013) which officially commenced on 01 July 2015.

There were four Township Establishment applications that were outstanding at year end in 2014/2015. Five applications for Township Establishment were received in 2015/2016 and the four outstanding applications in 2014/2015 rolled-over to 2015/2016 which made a total of nine applications in 2015/2016.

Six of those Township Establishments were approved by the SG Office in 2015/2016 and the three new applications for Township Establishment are currently unfolding for the SG approval in 2016/2017.

3.9.2 Planning Policy Objectives Taken from IDP

Municipal Key Performance Area: Basic and sustainable service delivery and infrastructure development / Local Economic Development

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery in respect of water and sanitation, electricity, housing, solid waste management and roads and storm water services to all residents of SPM	To survey 2 000 additional erven and submit to the Surveyor General by 30 June 2016	1,272	570	2.000	2 645	2 000
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Ensuring a turnaround time for building plan approval of 6 weeks by 30 June 2016 for buildings or architectural buildings less than 500m² in accordance with NBRBSA - 103/1977	10 wks	4,25 wks	6 wks	16 wks	6 wks
	Improving a turnaround time for development applications (rezoning) from receipt of all sectional comments, submission to Development and Planning Committee and Council of 10 weeks by 30 June 2016	12 wks	9,75 wks	10 wks	10 wks	10 wks
	Ensuring a turnaround time for building plan approval of 10 weeks by 30 June 2016 for buildings or architectural buildings greater than 500m² in accordance with NBRBSA - 103/1977	10 wks	11 wks	10 wks	16 wks	10 wks
	Review the current by-laws applying to land development as well as alienation and rezoning of both privately	N/A	N/A	1	1	1

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
	owned and government owned land parcels by 30 June 2016					

3.9.3 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	261	–	–	–	
Expenditure					
Employees	6 422	3 006	3 006	2 790	-7%
Repairs and Maintenance	6	–	1	1	100%
Other	734	261	260	104	-60%
Total Operational Expenditure	7 162	3 267	3 267	2 895	-11%
Net Operational Expenditure	6 902	3 267	3 267	2 895	-11%

3.9.4 Capital Expenditure Year 2015/2016: Planning Services

There was no capital expenditure during the period under review.

3.9.5 Comment on the Performance of Physical Planning Overall

The Urban Planning Division had six priority projects for the financial year 2015/2016 approved by the Surveyor General office in Bloemfontein for the following areas:

- **Completed**
  - Snake Park (Phase 1) 405
  - Ivory Park.................................1,175
  - Santa Centre...............................139
  - Kutlwanong 49
  - Phomolong...................................269
  - Promised Land.............................692

  Total Erven...2,729

- **In progress**

  Ramorwa, Witdam and Soul City

  Moreover, the Review of the Spatial Development Framework have reached a significant milestone such as Draft Spatial Development Framework.

  For the financial year 2015/2016, there were no deviations that occurred from the above-mentioned projects. The municipality needs to invest in the department by availing enough resources in order to be innovative and successfully implement its planned and budgeted programmes within the IDP.

COMPONENT C: PLANNING AND DEVELOPMENT

3.10 PROPERTY SERVICES

3.10.1 Introduction to Property Services

The Property Section falls within the Directorate Strategy, Economic Development and Planning. The core functions of the Property Section are:

- Alienation of municipal-owned land
- Administration of lease agreements
- Administration of all property-related matters (diverse consents for private land transfers and registrations, identification of land for future development, development of feasibility plans for township development, etc.)

SUCCESSES IN 2015/2016

SPM LAND POLICY REVIEW

The Properties Section reviewed the content of the Sol Plaatje Municipality – Policy on Land and Other Immovable Capital Assets. The review of the SPM Land Policy considers land matters holistically; including considerations for the redress of the past spatial segregation practices – where acquiring land for security of tenure proved hard for the majority of people.

The significant changes are as follows:

- Review of the SPM Land Policy (catering for specialised groups)
- Matrix for Church Erven Allocation
- Land Alienation / Lease Application Form
- Revised Church Policy (inclusive of Questionnaire)
- Properties' Applications' Processes (Alienation and Lease)

The reviewed SPM Land Policy is applicable to the entire jurisdiction of the Sol Plaatje Municipality; and shall apply in a uniform manner. It was approved by Council on 06 February 2016. The amendments in the policy will assist the Properties Section in improving administration efficiency when deciding on received applications, for both alienation and leasing.

CHALLENGES

- **Illegal Occupation of Municipal-Owned Land**

At present a significant number of municipal-owned land parcels have been invaded by illegal occupants. This threatens the ability of the municipality to provide land to middle-income earners; who would be in a position to purchase part(s) of those land parcels for residential development. Legal processes have been initiated by the Housing Section, in order to ensure that the affected areas cannot be subjected to further invasions.

- **Provision of Infrastructure Services to Formalised Townships**

The Property Section is still running with the exercise of servicing residential Erven (although not at an ideal rate), in order to provide additional individual residential properties in Kimberley. Twenty-nine (29) Erven in Retswelele (Galeshewe – township approved in 1988) were in line for the installation of water and sanitation in April 2016. The project was halted as a result of an illegal invasion that took place on the project area. To date, the status quo remains.

There is still an overwhelming demand for middle-income “Residential 1” Erven in the Sol Plaatje municipal area. The municipality has several approved residential Erven (formal townships) in Kimberley that are not serviced. The following areas, too, must be prioritised for the installation of services (electricity, roads and storm water, water and sanitation):

- Phomolong (161 Erven)
- Moghul Park (10 Erven)
- Southridge (109 Erven)
- West of Carters Glen (Precinct plan to be developed)
- West of Hillcrest (Precinct plan to be developed)
- Herlear (11 Erven)
- Roodepan (100 Erven)

The summative number of Erven that could be disposed of to first-time property owners is approximately 390. The above-mentioned townships were approved by the Surveyor General as follows:

- Phomolong (1986)
- Moghul Park (1993)
- Southridge (1966)
- Herlear (1949)
- Roodepan (1983)

These are old townships, and we need to treat the urgency of land provision for middle-income earners as a priority.

In addition to this, several layouts have been developed by the Properties and Town Planning sections; with the view that these will also obtain development approval in the 2017/2018 – 2019/2020 MTREF. They are:

- Retswelele (Residential 1, approximately 20 Erven)
- Vergenoeg Extension 4 (Business 1 and Institutional, approximately 8 Erven)
- Phutanang / Soul City (Commercial and Industrial, approximately 8 Erven)
- Carters Glen (Residential 2, approximately 11 Erven)
- Royldene (Residential 1, approximately 16 Erven)
- Motswedimosa (Mixed-Use, approximately 1111 Erven)

3.10.2 Property Services Objectives Taken From IDP

Municipal Key Performance Area: Local Economic Development

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	To perform at least two feasibility studies to identify suitable land for human settlements in order to ensure security of land tenure for people	N/A	N/A	2	2	2

3.10.3 Comment on the Performance of Property Services Overall

Servicing of Erven (residential and otherwise) should be prioritised by the municipality; because funding thereof is offset by the expected revenue generated from the disposal of non-exempted capital assets (immovable assets in this case). This is of utmost importance. The Properties Section notes the high cost of private property rentals and sales in the Greater Galeshewe and Kimberley areas; and it falls within our responsibility to ensure that we play a proactive role in providing land tenure for the citizens of the municipality.

In the 2015/2016 financial year the Properties Section received R2 million from the CRR to service twenty-nine (29) Erven in Retswelele (Galeshewe); a project implemented internally. The project area was invaded by illegal occupants, causing the project to cease. The funding, for the most part, could not be utilised due to the illegal occupation of the project area.

The targets set out in the IDP schedule are achievable; it is important to emphasise that these must be backed by funding – especially with due regard to the provision of infrastructure services.

The budget was underspent due to unexpected occurrences on the project area in 2015/2016. There was no capital project in 2014/2015; although there was electrification of one area (9 Erven) in Kimberley.

More defined workflow processes have been developed by the Properties Section – for reasons of accountability and transparency in going forward; and have been approved by Council. The processes are being implemented; and the section is looking to migrate them to electronic administration in future.

3.11 LOCAL ECONOMIC DEVELOPMENT

3.11.1 Introduction to Economic Development

LED is a process of developing local economies: "Local Economic Development is process-orientated. That is, it is a process involving the formation of new institutions, the development of alternative industries, the improvement of the capacity of existing employers to produce better products, the transfer of knowledge, the identification of new markets and the nurturing of new firms and enterprises". *(Framework, p. 31: Blakely (2002): Planning Local Economic Development – Theory and Practice)*

"Local Economies are inclusive, world-class and dynamic places and brands in which to invest, work, learn, visit and live; and the most successful in creating wealth that is widely shared and benefiting the majority of its local people." *(National LED Framework, p. 29)*

The Constitutional Provisions

Section 152 (1) c states that one of the objects of local government is to promote social and economic development. Expanding on the developmental duties of municipalities, Section 153 goes on to state:

- *"A municipality must*
  - *a. structure and manage its administration, budgeting and planning processes, to give priority to the basic needs of the community and to promote the social and economic development of the community; and*
  - *b. participate in national and provincial development programmes." (1)*

The most important legislation:

- *These objectives are further articulated in the Municipal Systems Act 32 of 2000.*

The stated priority function of this Act is *"To provide for the core principles, mechanisms and processes that are necessary to move progressively towards the social and economic upliftment of local communities…"* and more so *"to progressively build local government into an efficient, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities."*

National Development Plan (NDP)

Purpose: To develop an economy that will create more jobs, is more inclusive, more dynamic and in which the fruits of growth are shared equitably and poverty is eliminated.

Contribution of LED towards achieving the NDP vision

- Sector diversification of the economy
- Small business development should anchor local economies
- Inclusive rural economies are crucial for regional economic development
- Spatial economic transformation is crucial

New Growth Plan (NGP)

Purpose: To contribute towards the creation of decent work, reduction of inequality and winning the war on poverty through restructuring the economy to improve its performance in terms of labour absorption, composition and rate of growth

Contribution of LED towards NGP objectives

- Job creation, reducing poverty and redressing inequality are central to LED
- Diversification of local economies in terms of sectors is crucial for broader economic development
- Infrastructure investment, support for small business, skills development, working with the industry/business sector and rural development are crucial for effective LED
- Sustainable development is a critical pillar for productive economies

KEY FACTORS FOR THE SUCCESS OF LED

- Based on previous learning, resources available to LED are
- Utilised by LED stakeholders that work together according to a pattern of organisation,
- To add value by executing the functions and processes required by LED,
- To conceive smart initiatives to catalytically stimulate
- Improvements in the systemic competitiveness of the local economy.
- This enables businesses in key sectors and markets to compete more effectively,
- Resulting in increased investment, economic growth, increased employment, and increased earnings ad equity shifts, which all contribute

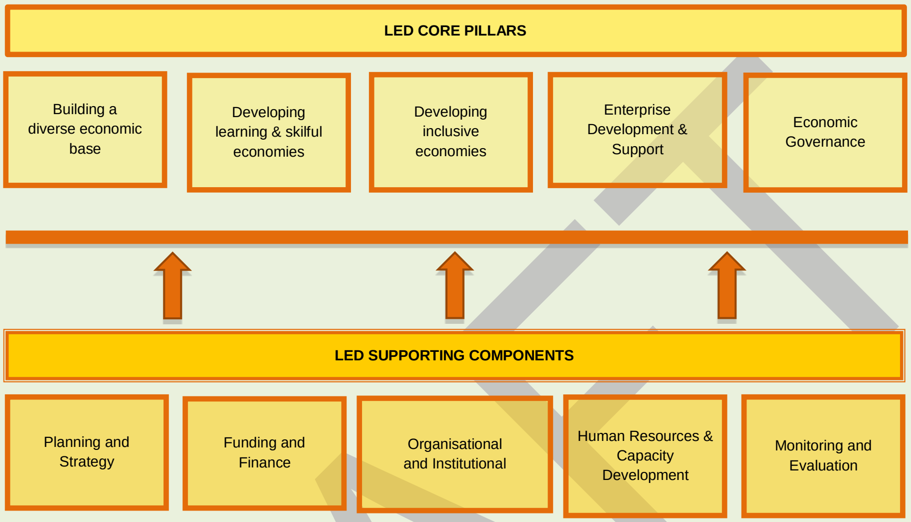
- To a reduction in poverty.

OBJECTIVES OF THE LED FRAMEWORK

- To shift towards a more strategic approach to the development of local economies and overcome challenges and failures in respect of instances where municipalities themselves try to manage litany of non-viable projects or start-ups.
- To support local economies in realising their optimal potentials and making local communities active participants in the economy of the country.
- To elevate the importance and centrality of effectively functioning local economies in growing the national economy.
- To wage the national fight against poverty more effectively through local level debates, strategies and actions.
- To improve community access to economic initiatives, support programmes and information.
- To improve the co-ordination of economic development planning and implementation across government and between government and non-governmental actors.
- To build greater awareness about the importance and role of localities and regions which globally are playing an increasingly significant role as points of investment, facilitated by supportive national policies.

FRAMEWORK FOR LED PILLARS *(2013-2018)*

Pillars are broad pointers to what the LED Strategy should focus on. The pillars will be deliberated after the Framework is approved by Government.



FIVE LED POLICY PILLARS

First Pillar

- **Building a Diverse Economic Base** *(Framework, p. 36)*

Purpose: In order to increase and sustain the revenue base of municipalities, local economic developed strategies must be underpinned by a robust, sustainable competitive diverse economic base

Pillar anchored by the following programmes:

- Sector Support Programme *(IPAP & NDP priorities)*
- Metropolitan Economic Development programme *(8 Metros)*
- Regional Economic Development *(focus on Districts)*
- Regional Industrial Development *(for diversified industrial economy)*
- Industrial Cluster Development *(use IPAP as basis for leveraging industrial value chains)*

- Through industrial and sector-specific (e.g. Tourism, Mining, Agriculture, Manufacturing, etc.) investment and development programmes, and through the spatial targeting of functional economic regions and other areas where economic activity
- Programmes under this pillar are driven by private sector investment.
- The primary role of local government is to
  - provide strong economic governance through a supportive and enabling business environment,
  - Unblocking constraints to investment and providing regulatory certainty.

Second Pillar

► **Developing Inclusive Economies** *(Framework, pp. 37-38)*

Purpose: Economic and spatial inclusivity aspects in municipalities, to improve the living standards and ensure a dignified existence for all South Africans.

Six critical strategy interventions to reverse economic exclusion:

- Informal Economy Support Programme
- Inner City Economic Revitalisation Programme
- Township Economic Development Programme
- An inclusive and integrated rural economy
- Broad-Based Black Economic Empowerment Support:
- Women and Youth Economic Empowerment
- Expanded Public Works and Community Works Programme

Third Pillar

► **Developing Learning and Skilful Economies** *(Framework, pp. 36-37)*

Purpose: To create highly skilled, innovative and adaptable workforce to attract and support the long-term growth of high value jobs, wealth-creating business and fight unemployment at local level.

A skilled labour force is a pre-requisite for building economically competitive and inclusive development interventions. Developmental local government agenda requires local Growth and Development Strategies that are supported by a clear skills plan.

Pillar anchored by:

- Tackling Basic Skills Gaps
- Development of Workforce Skills *(up-skilling or re-skilling existing workforce)*
- Enterprise and Entrepreneurship Programme *(for supportive enterprise & entrepreneurial environment*
- Developing Leadership and Management Skills

Fourth Pillar

► **Enterprise Development and Support** *(Framework, pp. 38-39)*

Departments responsible for success: Trade & Industry and Economic Development

Purpose: To create an enabling environment conducive to the development of SMME, Co-operative, Youth and B-BBEE Enterprises and provide a broad range of business development support services by working with enterprise support in financial and non-financial support spheres.

Key interventions:

- Small, medium and micro-enterprise support (SMMEs)
- Co-operative Enterprises
- BEE, Youth and Women Empowerment Enterprises
- Business development support services
- International Labour Organisation, LED is a *strategy* for employment promotion through micro and small enterprise development, support of social dialogue and development planning.
- Strengthen the dti's Integrated Approach to SMME & Co-operatives Development: Action Plan

- Role of local government in such areas as incubation support; provision of enabling infrastructure for SMMEs; provision of advisory and referral support to co-operatives, etc.

Fifth Pillar

- **Economic Governance and Infrastructure** *(Framework, pp. 39-40)*

  Purpose: State must play central/strategic role by investing in under-developed areas and directing & incentivising private sector investment. Therefore, economic governance is critical for successful building of local economies.

Key interventions:

- Leadership and Management Skills *(for guiding economic development)*
- Administrative Economic Development Capacity *(to ensure managerial, economic research, sector support, spatial economic planning, trade & investment, enterprise, entrepreneurship & stakeholder management competencies)*
- Reduce Municipal Red Tape & Creating Enabling Environment
- Access to development Funding/Finance
- Distinct Branding *(for coherent message on Econ Development)*
- Economic Infrastructure *(leverage Strategic Infrastructure*
- *Programmes for modernising infrastructure*

➢ Linked directly to Outcome 9 in terms of promoting An Accountable, Responsive, Efficient and, Effective Local Government System.

  Programmes that are targeted under this pillar include the following:

- Improving the role of municipal leadership in local economic development in terms of capacity building and lobbying, and advocacy;
- Efficient provisioning of land and land-use for economic development;
- Efficient provisioning economic infrastructure through such programmes as the Municipal Infrastructure Grant;
- Mainstreaming Revenue collection into LED;

- Developing Local Economies as Distinct Brands;
- Improving the regulatory environment and Reducing Red Tape, and
- Promoting Public-Private Dialogue.

OUTCOMES OF THE NEW FRAMEWORK

Outcomes anticipated from the implementation of the LED Framework in 2019:

- A common and shared conceptual understanding of LED in South Africa
- A strengthened national coordinating and central point for LED in South Africa
- Clearly defined roles and responsibilities, and inter-dependencies for LED planning and implementation within government and outside government
- Confidence in municipalities as investment destinations
- Catalytic Economic Programmes in all municipalities, prioritising the 27 Districts identified by government
- Integration of LED in other municipal programmes such as Infrastructure Development
- Reduction of Red Tape in Local Government.

3.11.2 Economic Activity by Sector

Sector	2014/2015	2015/2016
Agriculture, forestry and fishing	0	0
Mining and quarrying (Social and Labour Plans)	2,275	1,800
Manufacturing	0	0
Electricity (Droogfontein Solar Farm investment)	5,000	
Tourism (Diamond and Dorings)	1,300	1,800
Finance, property, etc.	0	0
Government, community and social services	0	0
Infrastructure services (SMMEs Village and Ritchie Incubator)	0	550
Total	**8,575**	**4,150**

3.11.3 Comment on Local Job Opportunities relating to the various sectors

Sol Plaatje Municipality employs a total number of 68,200 people within its local municipal area. Sol Plaatje Municipality also employs the highest number of people within Frances Baard District Municipality. The local municipality that employs the lowest number of people relative to the other regions within Frances Baard District Municipality is Magareng Municipality with a total number of 3,340 employed people.

In Sol Plaatje Municipality the economic sectors that recorded the largest number of employment in 2015 were the community services sector with a total of 26,100 employed people or 38.3% of total employment in the local municipality. The trade sector with a total of 12,700 (18.7%) employs the second highest number of people relative to the rest of the sectors. The electricity sector with 678 (1.0%) is the sector that employs the least number of people in Sol Plaatje Municipality, followed by the agriculture sector with 1,380 (2.0%) people employed.

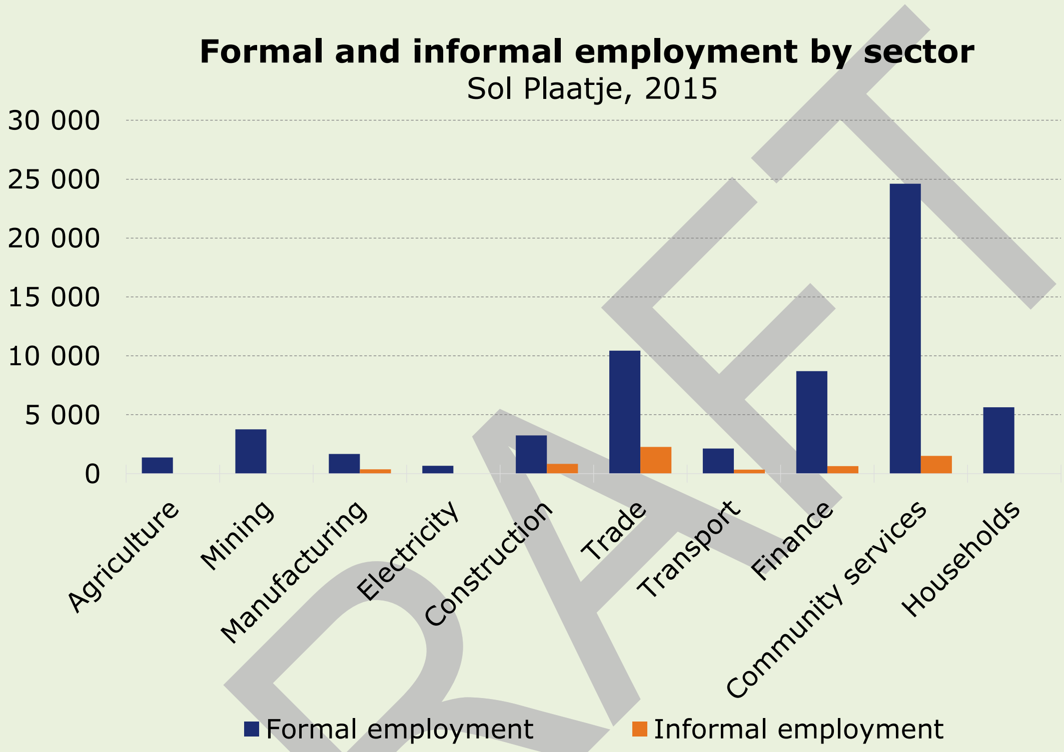
Total employment per broad economic sector - Sol Plaatje and the rest of Frances Baard, 2015 [Numbers]

Sector	Sol Plaatje	Dikgatlong	Magareng	Phokwane	Total Frances Baard
Agriculture	1,380	536	303	1,060	3,279
Mining	3,770	1,260	223	702	5,956
Manufacturing	2,040	360	89	351	2,844
Electricity	678	41	54	138	911
Construction	4,070	437	258	762	5,528
Trade	12,700	1,370	555	2,370	17,022
Transport	2,460	248	119	217	3,048
Finance	9,350	683	319	1,130	11,480
Community services	26,100	2,140	1,120	3,300	32,660
Households	5,630	895	301	1,160	7,982
Total	**68,200**	**7,980**	**3,340**	**11,200**	**90,708**

Source: IHS Global Insight Regional eXplorer version 1029

FORMAL AND INFORMAL EMPLOYMENT

The number of formally employed people in Sol Plaatje Local Municipality counted 62,300 in 2015, which is about 91.29% of total employment, while the number of people employed in the informal sector counted 5,940 or 8.71% of the total employment. Informal employment in Sol Plaatje increased from 2,870 in 2005 to an estimated 5,940 in 2015.



Source: IHS Global Insight Regional eXplorer version 1029

In 2015, the Trade sector recorded the highest number of informally employed, with a total of 2,280 employees or 38.30% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Transport sector has the lowest informal employment with 340 and only contributes 5.73% to total informal employment.

Sector	Formal employment	Informal employment
Agriculture	1,380	N/A
Mining	3,770	N/A
Manufacturing	1,680	359

Sector	Formal employment	Informal employment
Electricity	678	N/A
Construction	3,240	835
Trade	10,500	2,280
Transport	2,120	340
Finance	8,710	635
Community services	24,600	1,500
Households	5,630	N/A

Source: IHS Global Insight Regional eXplorer version 1029

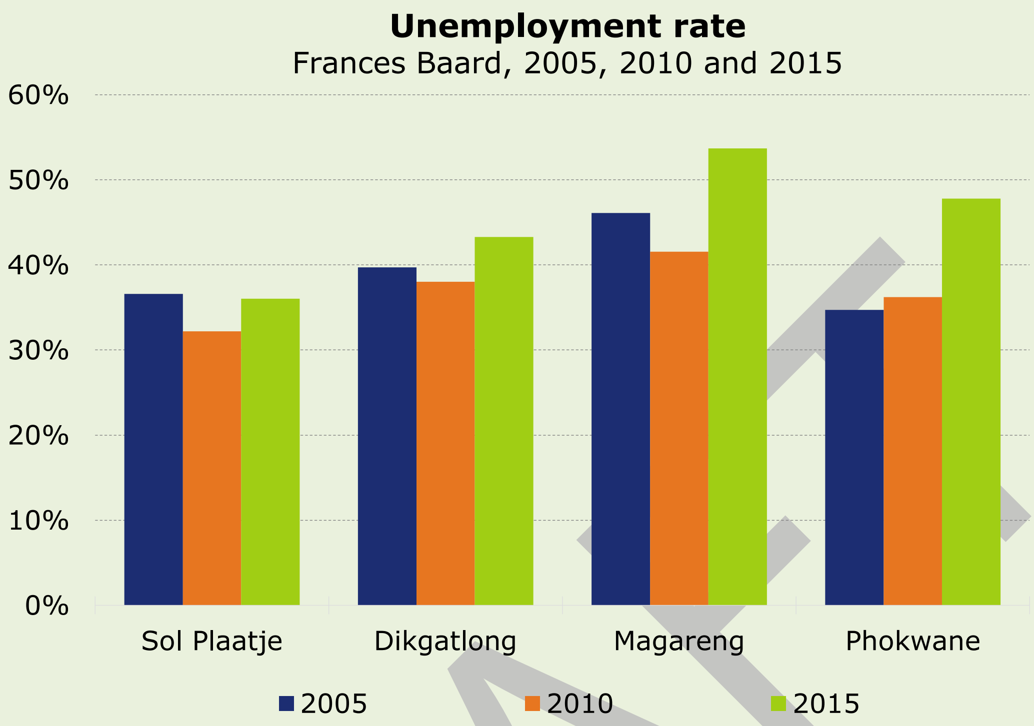
UNEMPLOYMENT

In 2015, there were a total number of 37,200 people unemployed in Sol Plaatje, which is an increase of 6,840 from 30,300 in 2005. The total number of unemployed people within Sol Plaatje constitutes 65.33% of the total number of unemployed people in Frances Baard District Municipality. The Sol Plaatje Local Municipality experienced an average annual increase of 2.06% in the number of unemployed people, which is better than that of the Frances Baard District Municipality which had an average annual increase in unemployment of 2.11%.

Year	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
2005	30,300	46,200	116,000	4,550,000	*65.6%*	*26.0%*	*0.67%*
2006	30,300	46,100	117,000	4,510,000	*65.6%*	*26.0%*	*0.67%*
2007	29,200	44,400	112,000	4,460,000	*65.7%*	*26.0%*	*0.65%*
2008	27,300	41,300	104,000	4,350,000	*66.0%*	*26.3%*	*0.63%*
2009	27,000	40,600	101,000	4,370,000	*66.4%*	*26.6%*	*0.62%*
2010	27,700	41,500	103,000	4,490,000	*66.8%*	*26.9%*	*0.62%*
2011	29,100	43,500	107,000	4,570,000	*67.0%*	*27.1%*	*0.64%*
2012	31,400	47,500	114,000	4,690,000	*66.1%*	*27.7%*	*0.67%*
2013	33,200	50,900	122,000	4,850,000	*65.3%*	*27.2%*	*0.68%*
2014	34,800	54,000	131,000	5,060,000	*64.5%*	*26.6%*	*0.69%*
2015	37,100	56,900	137,000	5,280,000	*65.3%*	*27.2%*	*0.70%*
Average Annual growth							
2005 to 2015	***2.06%***	***2.11%***	***1.63%***	***1.50%***			

Source: IHS Global Insight Regional eXplorer version 1029

When comparing unemployment rates among regions within Frances Baard District Municipality, Magareng Municipality has indicated the highest unemployment rate of 53.7%, which has increased from 46.1% in 2005. It can be seen that the Sol Plaatje Municipality had the lowest unemployment rate of 36.0% in 2015, this decreased from 36.6% in 2005.



Source: IHS Global Insight Regional eXplorer version 1029

NUMBER OF HOUSEHOLDS BY INCOME CATEGORY

Income Category	Sol Plaatje	Frances Baard	Northern Cape	National Total	Sol Plaatje as % of district municipality	Sol Plaatje as % of province	Sol Plaatje as % of national
0-2400	44	65	162	11,800	*68.0%*	*27.4%*	*0.37%*
2400-6000	330	524	1,340	92,100	*63.0%*	*24.7%*	*0.36%*
6000-12000	1,650	2,590	7,470	466,000	*63.6%*	*22.0%*	*0.35%*
12000-18000	2,390	3,760	10,700	685,000	*63.4%*	*22.4%*	*0.35%*
18000-30000	5,090	8,060	22,900	1,420,000	*63.1%*	*22.2%*	*0.36%*
30000-42000	6,730	10,600	31,600	1,790,000	*63.4%*	*21.3%*	*0.37%*
42000-54000	6,220	9,980	32,400	1,620,000	*62.3%*	*19.2%*	*0.38%*
54000-72000	6,260	10,400	36,000	1,640,000	*60.3%*	*17.4%*	*0.38%*
72000-96000	5,860	9,580	34,500	1,460,000	*61.2%*	*17.0%*	*0.40%*
96000-132000	5,930	9,690	34,700	1,390,000	*61.2%*	*17.1%*	*0.43%*
132000-192000	6,420	9,800	34,100	1,320,000	*65.5%*	*18.8%*	*0.49%*
192000-360000	8,350	11,800	38,100	1,610,000	*70.6%*	*21.9%*	*0.52%*
360000-600000	5,160	7,020	22,200	1,000,000	*73.5%*	*23.2%*	*0.52%*
600000-1200000	2,940	4,010	13,200	667,000	*73.2%*	*22.3%*	*0.44%*
1200000-2400000	632	1,010	3,780	207,000	*62.7%*	*16.7%*	*0.31%*
2400000+	118	239	853	49,300	*49.3%*	*13.8%*	*0.24%*
Total	**64,100**	**99,100**	**324,000**	**15,400,000**	***64.7%***	***19.8%***	***0.42%***

Source: IHS Global Insight Regional eXplorer version 1029

It was estimated that in 2015 14.81% of all the households in the Sol Plaatje Municipality, were living on R30 000 or less per annum. In comparison with 2005s 37.99%, the number is about half. The R192 000—R360 000 income category has the highest number of households with a total number of 8,350, followed by the R30 000—R42 000 income category with 6,730 households. Only 44 households fall within the R0—R2 400 income category.

ANNUAL TOTAL PERSONAL INCOME

Sol Plaatje Local Municipality recorded an average annual growth rate of 7.79% (from R5,66 billion to R12 billion) from 2005 to 2015, which is less than both Frances Baard's (8.36%) as well as Northern Cape Province's (9.96%) average annual growth rates.

South Africa had an average annual growth rate of 9.29% (from R1,15 trillion to R2,78 trillion) which is more than the growth rate in Sol Plaatje Municipality.

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total
2005	5.7	7.9	23.0	1,145.4
2006	6.2	8.7	25.5	1,259.4
2007	7.1	9.8	29.2	1,432.2
2008	7.8	10.8	32.5	1,587.9
2009	8.2	11.1	34.3	1,695.1
2010	8.8	11.9	37.0	1,843.3
2011	9.7	13.0	40.6	2,032.7
2012	10.5	14.0	45.6	2,226.0
2013	11.4	15.2	49.9	2,414.1
2014	12.8	17.0	55.7	2,602.5
2015	12.0	17.7	59.5	2,783.8
Average Annual growth				
2005-2015	***7.79%***	***8.36%***	***9.96%***	***9.29%***

Source: IHS Global Insight Regional eXplorer version 1029

ORIGIN OF TOURISTS

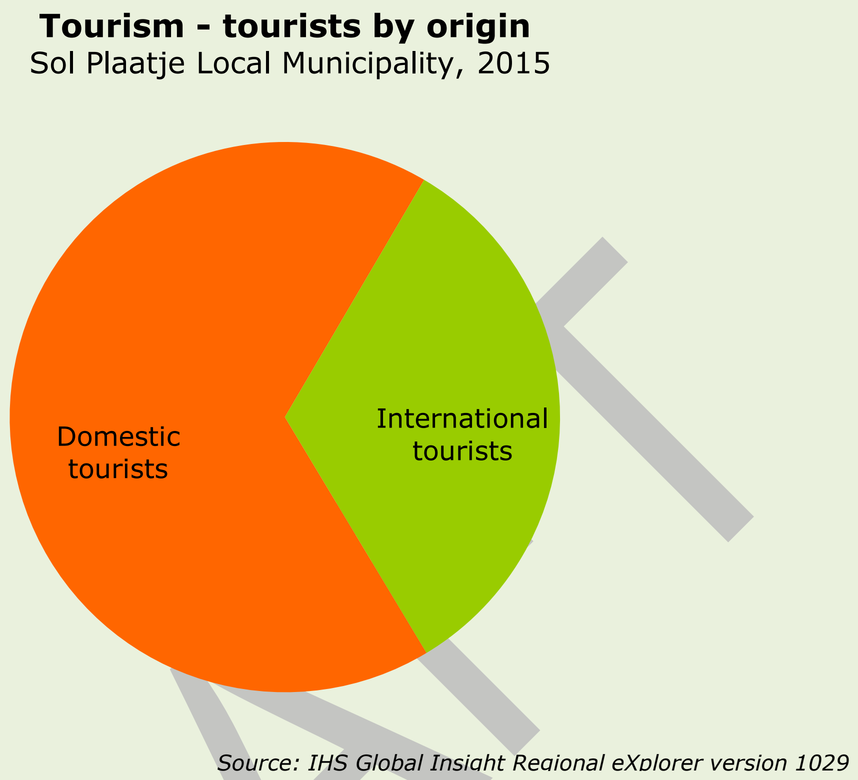
In the following table, the number of tourists that visited Sol Plaatje Municipality from both domestic origins, as well as those coming from international places, are listed.

Period	Domestic tourists	International tourists	Total tourists
2005	37,400	18,500	56,000
2006	40,100	20,100	60,200
2007	42,700	19,300	62,000
2008	45,300	17,300	62,600
2009	46,800	15,500	62,200
2010	47,600	16,100	63,800
2011	47,700	17,100	64,800
2012	47,600	20,600	68,100
2013	47,500	22,900	70,400
2014	46,800	24,400	71,200
2015	46,800	23,000	69,700
Average Annual growth			
2005-2015	***2.25%***	***2.17%***	***2.22%***

Source: IHS Global Insight Regional eXplorer version 1029

The number of trips by tourists visiting Sol Plaatje Municipality from other regions in South Africa has increased at an average annual rate of 2.25% from 37,400 in 2005 to 46,800 in 2015.

The tourists visiting from other countries increased at an average annual growth rate of 2.17% (from 18,500 in 2005 to 23,000 in 2015). International tourists constitute 32.94% of the total number of trips, with domestic tourism representing the balance of 67.06%.


Tourism - tourists by origin
Sol Plaatje Local Municipality, 2015
Domestic tourists
International tourists
Source: IHS Global Insight Regional eXplorer version 1029

The following is a summary of the number of bed nights spent by domestic and international tourist within Sol Plaatje Local Municipality between 2005 and 2015.

TABLE 24. Bed nights by origin of tourist - Sol Plaatje Municipality, 2005-2015 [number]

Period	Domestic tourists	International tourists	Total tourists
2005	211,000	108,000	319,000
2006	224,000	113,000	336,000
2007	240,000	108,000	348,000
2008	261,000	103,000	364,000
2009	277,000	96,800	374,000
2010	294,000	103,000	397,000
2011	294,000	104,000	398,000
2012	294,000	116,000	410,000
2013	289,000	125,000	414,000
2014	277,000	131,000	407,000
2015	269,000	124,000	392,000
Average Annual growth			
2005-2015	***2.46%***	***1.33%***	***2.09%***

Source: IHS Global Insight Regional eXplorer version 1029

From 2005 to 2015, the number of bed nights spent by domestic tourists has increased at an average annual rate of 2.46%, in the same period the international tourists had an average annual increase of 1.33%. The total number of bed nights spent by tourists increased at an average annual growth rate of 2.09% from 319,000 in 2005 to 392,000 in 2015.


Growth in tourism (using bednights)
Sol Plaatje, 2005-2015
450 000
400 000
350 000
300 000
250 000
200 000
150 000
100 000
50 000
0
2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015
Domestic tourists
International tourists
Total tourists
Source: IHS Global Insight Regional eXplorer version 1029

TABLE 25. Total tourism spending - Sol Plaatje, Frances Baard, Northern Cape and national total, 2005-2015 [R billions, current prices]

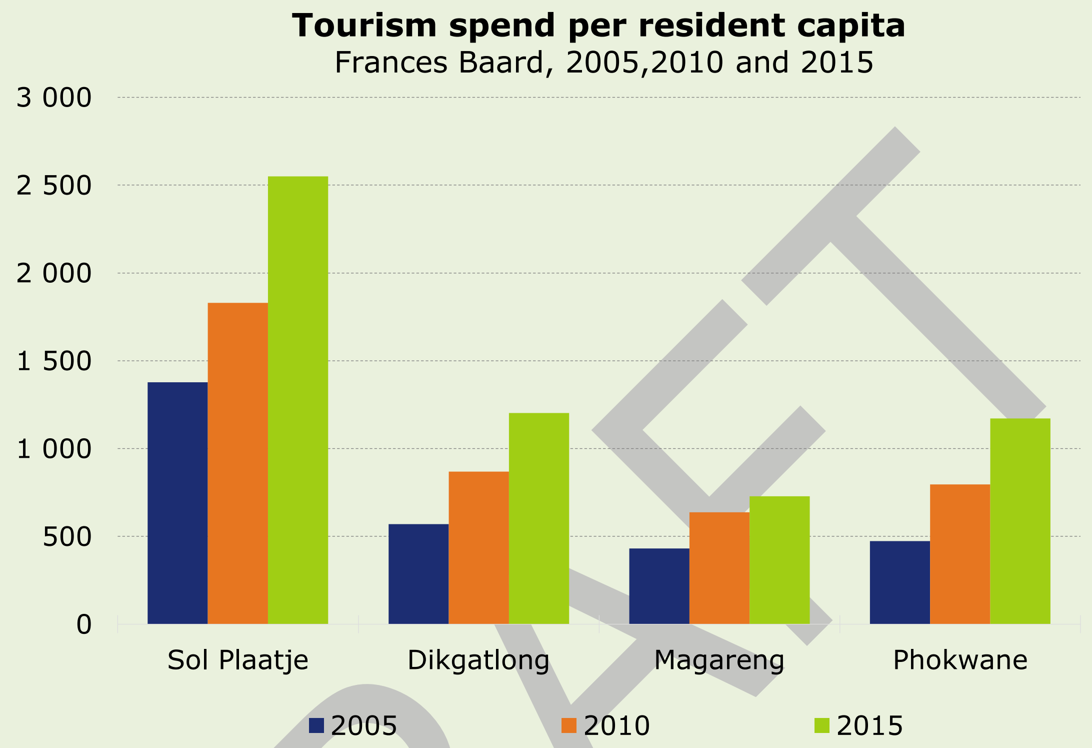
Period	Sol Plaatje	Frances Baard	Northern Cape	National Total
2005	0.3	0.3	1.6	107.2
2006	0.3	0.4	1.9	126.9
2007	0.4	0.5	2.1	138.7
2008	0.4	0.5	2.1	152.5
2009	0.4	0.5	2.1	153.4
2010	0.4	0.5	2.2	167.2
2011	0.4	0.5	2.3	174.6
2012	0.5	0.6	2.7	199.9
2013	0.6	0.7	3.0	217.6
2014	0.7	0.8	3.4	238.7
2015	0.7	0.8	3.4	234.1
Average Annual growth				
2005-2015	***8.72%***	***8.83%***	***7.66%***	***8.13%***

Source: IHS Global Insight Regional eXplorer version 1029

Sol Plaatje Municipality had a total tourism spending of R664 million in 2015 with an average annual growth rate of 8.7% since 2005 (R288 million). Frances Baard District Municipality had a total tourism spending of R810 million in 2015 and an average annual growth rate of 8.8% over the period.

Total spending in the Northern Cape Province increased from R1,64 billion in 2005 to R3,43 billion in 2015 at an average annual rate of 7.7%. South Africa as whole had an average annual rate of 8.1% and increased from R107 billion in 2005 to R234 billion in 2015.

Tourism spend per resident capita - Sol Plaatje Municipality and the rest of Frances Baard, 2005,2010 and 2015 [R thousands]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015, Sol Plaatje Municipality had a tourism spend per capita of R2 550 and an average annual growth rate of 6.35%, Sol Plaatje Municipality ranked highest amongst all the regions within Frances Baard in terms of tourism spend per capita. The local municipality that ranked lowest in terms of tourism spend per capita is Magareng with a total of R729 which reflects an increase at an average annual rate of 5.41% from 2005.

TABLE 26. Total spending as % share of GDP - Sol Plaatje, Frances Baard, Northern Cape and national total, 2005-2015 [percentage]

Period	Sol Plaatje	Frances Baard	Northern Cape	National Total
2005	3.0%	2.8%	4.9%	6.5%
2006	3.0%	2.8%	4.8%	6.9%
2007	2.8%	2.6%	4.3%	6.6%
2008	2.6%	2.4%	3.9%	6.4%
2009	2.7%	2.4%	3.8%	6.1%
2010	2.6%	2.4%	3.7%	6.1%
2011	2.5%	2.4%	3.6%	5.8%
2012	2.8%	2.7%	4.0%	6.1%
2013	2.9%	2.8%	4.2%	6.1%
2014	2.9%	2.8%	4.2%	6.3%
2015	2.9%	2.8%	4.1%	5.8%

Source: IHS Global Insight Regional eXplorer version 1029

In Sol Plaatje Municipality the tourism spending as a percentage of GDP in 2015 was 2.86%. Tourism spending as a percentage of GDP for 2015 was 2.76% in Frances Baard District Municipality, 4.14% in Northern Cape Province.

Looking at South Africa as a whole, it can be seen that total tourism spending had a total percentage share of GDP of 5.83%.

RELATIVE IMPORTANCE OF INTERNATIONAL TRADE

In the table below, the Sol Plaatje Municipality is compared to Frances Baard, Northern Cape Province and South Africa, in terms of actual imports and exports, the Trade Balance, as well the contribution to GDP and the region's contribution to total national exports and imports.

TABLE 27. Merchandise exports and imports - Sol Plaatje, Frances Baard, Northern Cape and national total, 2015 (R1000, current prices]

Trade	Sol Plaatje	Frances Baard	Northern Cape	National Total
Exports (R 1000)	6 465 277	6 908 075	12 065 041	1 041 437 998
Imports (R 1000)	411 717	511 878	1 354 682	1 075 891 997
Total Trade (R 1000)	6 876 994	7 419 954	13 419 723	2 117 329 995
Trade Balance (R 1000)	6 053 560	6 396 197	10 710 359	-34 453 999
Exports as % of GDP	27.9%	23.5%	14.6%	25.9%
Total trade as % of GDP	29.7%	25.2%	16.2%	52.8%
Regional share - Exports	0.6%	0.7%	1.2%	100.0%
Regional share - Imports	0.0%	0.0%	0.1%	100.0%
Regional share - Total Trade	**0.3%**	**0.4%**	**0.6%**	**100.0%**

Source: IHS Global Insight Regional eXplorer version 1029

The merchandise export from Sol Plaatje Municipality amounts to R6,47 billion and as a percentage of total national exports constitutes 0.62%. The exports from Sol Plaatje Municipality constitute 27.90% of total Sol Plaatje Municipality's GDP.

Merchandise imports of R412 million constitute about 0.04% of the national imports. Total trade within Sol Plaatje is 0.32% of total national trade. Sol Plaatje Municipality had a positive trade balance in 2015 to the value of R6,05 billion.

3.11.4 Jobs Created during 2014/2015 by LED Initiatives (Excluding EPWP projects)

Total Jobs created / Top Three initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.			
Total (all initiatives)				
2014/2015	839	0	939	Droogfontein (240); Inner City Revitalisation (122); Gariep Festival (16); Barney Barnato (55); N12 Promotion (10); Indaba (2), Diamond & Dorings (484) and Refurbishment of Information Centre (10).
2015/2016	3,728	0	3,728	Diamond and Dorings (1,832); Gariep Arts Festival (1,729); SABC Metro Heat Wave (60); Kimberley Festival (50); and Barney Barnato (57)

3.11.5 Job creation through EPWP* projects

Details	EPWP Projects	Jobs created through EPWP projects *FTEs
	No.	No.
2012/2013	16	627
2013/2014	17	893
2014/2015	16	934
2015/2016	4	366

** Extended Public Works Programme. Please note job are calculated on man-days jobs*
** **"Full Time Equivalent Job (FTE)"** means 230-person day of work created by an EPWP project within a financial year.*

3.11.6 Local Economic Development Objectives taken from IDP

Municipal Key Performance Area: Local Economic Development

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Promote tourism into the city using arts, culture and heritage as a strategy by creating a marketing platform for SMME's through at least 3 events partnered by Sol Plaatje on an annual basis	N/A	N/A	3	5	4
	Support SMME's through business incubation by setting up developmental programmes for at least 10 businesses annually	4	1	10	10	10
	Marketing programmes for tourism promotion	4	9	8	28	6
	Host the Diamond & Dorings Music Festival annually	N/A	N/A	1	1	1
	Enter into twinning agreement with other municipalities with regard to LED in general and investment promotion in particular	4	1 (draft with Vhembe)	1	0	2
	Development an outdoor advertisement policy by end June	1	1 (draft)	1	1	1
	Submit application to National Treasury by end June to extend the demarcation of UDZ	1	1 (draft)	1	1	1
	Develop a Tourism Strategy by end June	1	0	1	0	1
	Facilitate and host a Media Tour by end December	1	1	1	0	1
	Create 300 FTE jobs through EPWP initiatives of the SPM by 30 June 2016	300	939	300	349	200

3.11.7 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**747**	1 060	1 060	991	-7%
Expenditure					
Employees	4 806	5 291	5 291	6 416	21%
Repairs and Maintenance	13	811	1 706	1 720	1%
Other	1 258	470	484	473	-2%
Total Operational Expenditure	**6 077**	6 572	7 481	8 609	15%
Net Operational Expenditure	**5 330**	5 513	6 421	7 617	19%

3.11.8 Capital Expenditure 2015/2016 - LED

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000			%		R'000
Total All	**9,100**	**11,096**	**7,262**	**-20%**	**-34%**	
Planning and Surveying of erven	2,000	2,250	261	-87%	-88%	261
Township Establishment Ramorwa	2,000	2,000	321	-84%	-84%	
Riverton Access Road	0	1,225	1,212		-1%	
Platfontein Access Road	0	2,879	2,851		-1%	
Upgrade of Tommy Morebudi Stadium	0	2,435	2,311		-5%	
Replace air conditioners at Community Halls	0	307	306		0%	
Taxi rank Indian Shopping Centre	2,500	0	0	-100%		
Establishment of Transport Links	2,500	0	0	-100%		
Grant in Kind	100	0	0	-100%		

3.11.9 Comment on Local Economic Development Performance Overall

- **Investment Promotion**

Investment Promotion, at Sol Plaatje Municipality, entails the marketing and promotion of the locality as an investment destination of preference. This notion of "an investment destination of choice" implies that the locality can be regarded (all things being equal) as having a combination of factors that gives the locality an advantage over other localities of the same size and of the same specifics.

The economic zone, which encompasses all the settlements under the Sol Plaatje Municipality, has distinctive advantages to argue for best locality status for number of economic sectors. These sectors are:

- Solar energy (and related economic opportunities)
- Logistics (road, rail and air)
- Warehousing (by virtue of the City's central location in South Africa.)

Most of the endeavours of the (LED Unit's) Investment Promotion sub-section have been around the solar energy sector. These endeavours included, amongst others, efforts in ensuring that

- Kimberley gets a second Solar PV generation licence, and
- A solar panel manufacturing plant can be located in Kimberley.

In April 2016, Genesis Eco Energy (in partnership with SunEdison) won the licence to construct a 75MW Solar PV plant at Droogfontein, in Kimberley. This project is known as Droogfontein 2 and is estimated to generate 1200 jobs over a construction period of thirty months. However, the actual construction has been delayed because the National Department of Energy has not signed off on the financials of the proposed plant. It is expected that the National Department of Energy will make the necessary announcement (on financial close) on this project by mid-December 2016.

In November 2015, an investor in the solar panel sector (after cautious background discussions – over two months long period - with Sol Plaatje Municipality) decided to abandon their plans for the construction of solar panel manufacturing plant here in Kimberley. The exact reason for the project not going ahead is still unclear. Numerous attempts had been made to follow up with the specific company but, in the end it became clear that they may have changed their mind.

- **SMME Support**

The SMME Support Unit received a budget of R145 000 for the 2015/2016 financial year. The following projects were implemented as listed below.

Small Business Week

The Small Business Week is an annual small business intervention programme hosted in conjunction the Frances Baard District municipality. The programme was successfully hosted and it attracted many potential business people and had several training sessions linked to it. The event will be hosted again in the new financial year.

SMME Village

The aim is to support SMMEs through business incubation by setting up developmental programmes for at least ten businesses annually.

The SMME Village currently houses 22 business tenants.

Training

- **Basic Business Skills SEDA**

The basic business training was conducted with the Small Enterprise Development Agency (SEDA) to provide essential business skills to young business people. The following modules were extensively covered over a four-day period:

- Dynamics of small business management in South Africa
- Managing your money
- Marketing your business and basics of selling

The training was held in Ritchie and in Galeshewe Social centre.

- **The Informal Traders Upliftment Project (ITUP)**

This is a pilot project implemented in partnership with the Department of Trade and Industry (and now the Department of Small Business Development) which seeks to identify vulnerable areas in the country where informal traders can be selected, trained and further developed including provision of infrastructure support to be at a level where they are able to compete with established and flourishing businesses. This will result in these traders being able to achieve maturity levels where they are

able to create jobs and foster economic growth. Twenty candidates from the Sol Plaatje Municipal area were trained and awarded equipment and resources to continue their businesses by the Department of Small Business Development.

- **Technology Entrepreneurship Development Course: a two-day training programme**

This course was conducted by Continuing Education University of Pretoria. Training was offered to 65 potential SMMEs in the Ritchie area. The training was derived from the 'My Business Series'' which is a dynamic and high impact technology driven small business capacitation intervention. The modules covered

  - Business planning
  - Market research techniques
  - Principles of marketing management
  - Basic business finance and bookkeeping

- **New Venture Creation**

This training was conducted on behalf of the SMME village.

- **Diamond and Dorings Food Preparation Training**

Training was conducted for the informal traders selected for the Diamonds and Dorings event. The training entailed food preparation technique and food safety and was offered by our emergence services and environmental services section.

- **Tourism Promotion**

Tram Safety Permit

As a railway operator, we are obliged by the Railway Safety Regulator to have a valid Safety Permit which serves as a license to operate the Kimberley Vintage Tram. In January 2016, the Tourism Office applied for renewal of the Safety Permit through National Information Management System (NIMS) and it was successfully approved by RSR and the Safety Permit was issued on 31 March 2016, this permit is valid until 31 March 2017.

The tram revenue generated to date (from July 2015 to June 2016) amounts to R38 990. It should be noted that the tram was not operational for the entire two months of August and November 2015 due to installation of new fence around the Big Hole by De Beers; this installation affected the operation of the tram as it was put on halt during the above-mentioned months due safety precautions. This has thus affected the revenue that could have been generated in those two months.

MARKETING PROGRAMMES FOR TOURISM PROMOTION

The following are Exhibitions, Tourism Road Shows and Tourism events that Tourism Sub-Unit implemented during the 2015/2016 financial year.

- **Career Expo**

  On 2 July 2015, there was a Career Expo hosted by the Department of Education which was held at 3 SAI Military Base Camp. The primary objective for being part of the expo was to promote awareness to students in terms of various career paths to follow with regards to tourism. The tourism office successfully utilised this platform to market the city's attractions by disseminating a total of sixty brochures and maps at the event and there were twenty enquiries received

- **NOCCI Business Expo**

  The above-mentioned expo was held on 14-15 August 2015 at the Mittah Seperepere Convention Centre hosted by NOCCI with the objective of providing opportunity for all businesses in Kimberley and Northern Cape to promote and exhibit their various offerings. SPM through the Tourism office successfully exhibited and marketed its tourism attractions whereby total of 150 brochures and maps were handed out, and 21 enquiries were received.

- **Getaway Show**

On 28-30 August 2015 two Tourism personnel together with the LED Chairperson attended the Getaway Show held at TicketPro Dome in Johannesburg with the aim of marketing and promoting Kimberley as one of the preferred tourist destinations. A total of 500 brochures and maps were disseminated and approximately 2,000 tourists made enquiries at the Northern Cape Stand.

- **Kimberley Diamond Cup**

The Kimberley Diamond Cup is a world skateboarding competition that normally takes place during first week of October, this event took place from 7-10 October 2015 whereby the Tourism Office organised three exhibition booths that were placed at three different venues, namely; Protea Hotel Big Hole, Kimberley Airport and at the skate plaza.

Four Tourism students from Sol Plaatje University who are conversant with all tourism aspects and different attractions were temporarily employed and paid a stipend of R120 per day. Approximately ninety brochures & maps were handed out during the event.

- **18th Annual Public Sector Trainers Forum**

Following an invitation from the Premier's Office to form part of the 18th Annual Public Sector Trainers Forum which was held on 5 October 2015 at the Mittah Seperepere Convention Centre. Tourism Sub-Unit had a platform to exhibit Kimberley tourism products offerings to delegates attending the forum from all over South Africa. 200 brochures and maps were handed out with the intention to marketing of the city's attractions.

- **MACUFE (Mangaung African Cultural Festival)**

The above-mentioned cultural festival took place from the 8-9 October 2015. It was the first time the Tourism Unit attended this show whereby the two officials had a platform to exhibit the city's attractions whilst one local crafter was given a platform to showcase and sell her products at the event. Approximately 120 brochures were handed out.

- **Barney Barnato Golf Tournament**

The Barney Barnato Golf Tournament is considered one of the Biggest Golf Tournaments in Africa, which creates a platform for over 450 visiting golfers, both

locally and internationally, to meet, network, and share in the fun and true sportsman spirit.

The Tourism Office had an exhibition space at Kimberley Golf Club where the Golf Tournament was held from 24-31 October 2015. Approximately fifty brochures and maps where disseminated to tourists who visited the stand, with the aim of promoting Kimberley.

- **The Beeld Holiday Show**

The show was held in Gauteng at the Gallagher Convention Centre in Midrand from 26-28 February 2016. As in the previous years, the show was attended by SPM/Tourism Unit under the Umbrella of Northern Cape Tourism Authority with the primary objective of marketing various tourist attractions of the city.

Approximately 400 Kimberley brochures and 450 travel maps were disseminated during the show whereby face to face engagements with the tourists were made in terms of providing clarity on the tourist activities and places of interest around Kimberley and the entire province.

- **Tourism Indaba**

Tourism Indaba Trade Expo was successfully attended by three Tourism Officials and chairperson of LED Portfolio Committee which was held at Durban (Inkosi Albert Luthuli International Convention Centre) from 7-9 May 2016. The intention of attending this trade show was to market the tourism products within Kimberley, and this was successfully implemented.

HOST OF DIAMONDS AND DORINGS MUSIC FESTIVAL ANNUALLY

Diamonds and Dorings Music Festival took place as follows:

- **Comedy Show**

Date: 26 March
Venue: Mittah Seperepere Convention Centre
Time: 18:00 till late
Price: R150

- **Gospel Show**

Date: 27 March
Venue: MSCC

Time:	18:00 till late
Price:	R120

- **The D&D Marathon**

Date:	28 March
Venue:	MSCC Parking
Time:	6am- 1pm
Price:	free

- **The Mayoral Golf Day**

Date:	26 March
Venue:	Kimberley Golf Course
Tee off Time:	09:00
Price per four ball:	R250.00

- **The D&D Hip Hop Show**

Date:	26 March
Venue:	MSCC garden site
Time:	18:00 till late
Price:	R150

- **The D&D Music Festival**

Date:	28 March
Venue:	Langley Resort
Time:	11am till late

3.11.10 Inner City Revitalisation 2015/2016

The Area Based Unit received a budget of R300 000 for the 2015/12016 financial year. The following projects were implemented as listed below.

The unit also received external funding to the value of R319 000 from the Department of Economic Development and Tourism. This money was used solely for EPWP purposes. Under the Inner-City Revitalisation, the following projects were implemented.

- Implementation of Master Plan for entrance routes
- EPWP project
- Installation of outdoor gym equipment

Budget

Sol Plaatje Municipality: R300 000

Funding: R319 000

Jobs Created

10 Temporary jobs

Projects

Implement Master Plan for Entrance Routes

IMPLEMENTATION OF MASTER PLAN FOR ENTRANCE ROUTES

The implemented gateway signage respond to the requirement to create a strong ‘sense of entry’ to Kimberley at the main points of arrival and to provide signs or artwork which reflect the heritage of the city whilst being appropriate to its semi-arid climate.

The design response makes use of bold, rusted steel elements that talk to Kimberley’s mining heritage and complement stark, simple beauty of the landscape.

For the 2015/2016 financial year we have targeted two areas:

- N12 Johannesburg (complete)
- N8 Bloemfontein (busy with installation)

EPWP PROJECT

The purpose of this project is an environmental orientated project ensuring environmental integrity of the Sol Plaatje Municipality.

It will focus on key risks, hazards and improvements which will include vegetation control and refuse removal.

This will assist the Inner-City Revitalisation Programme by enhancing quality urban management in terms of cleansing road and pavement management.

Through this project, we managed to employ ten people for a year. Funding for this project was made possible by the Department of Economic Development and Tourism.

Maintenance of signage

Installation of outdoor gym equipment

INSTALLATION OF GYM EQUIPMENT

As part of Sol Plaatje Municipality, the Area Based Management, wanted to maximise the use of parks in and around Kimberley. Outdoor training has become very popular and in addition to that we wanted to promote a healthy lifestyle in communities.

In a country where lifestyle diseases are a growing concern, access to a park with free exercise equipment seems almost too good to be true.

Green outdoor gyms were first introduced to South Africa in 2008 with the intention of encouraging exercise and a healthier lifestyle in communities where people are generally unable to afford commercial gyms or personal trainers.

The Area Based Unit installed a six-piece outdoor gym in Trim Park which was and is received well by the public.

OUTDOOR ADVERTISING AND MAINTENANCE

The purpose of signs and other forms of outdoor advertising is to convey information to the public. Such information may include: identifying properties, giving notice of forthcoming events, informing of the availability of goods and services and giving directions to pedestrians and traffic. Although signs are essential throughout the municipal area for the information they provide to the public, they have the potential to cause adverse environmental effects, particularly in respect of transport safety and visual amenities.

The ability of the environment to accommodate signs varies considerably between commercial, residential and rural environments. If not managed correctly outdoor advertising may have a major impact on the environment and not only the aesthetic environment. It may also contribute to environmental problems such as sound and light pollution and may influence road safety. On the other hand, it cannot be denied that outdoor advertising fulfils an important role in present-day life and provides us the various benefits.

Through limited internal funding we managed to address the following issues:

- Repaired and replaced eight old directional signs
- Re-designed old stack directional pylons and 6 new pylons will be erected in the month of October 2016.

Maintenance of directional and information signs is a costly exercise. Fortunately, with the financial and technical assistance from the Roads Department in Sol Plaatje we managed to facilitate our Outdoor Advertising environment more efficiently and effectively.

3.11.11 Responding to the LED Pillars

In responding to the LED Pillars the following projects were achieved.

Pillar One

Sol Plaatje Municipality and SEDA Construction has completed a draft MOU to establish the Construction Incubator in Kimberley. The initiative is already approved by the board SEDA Construction with commitment of R1.7 million per annum. The relationship intends to development emerging contractors according to Construction Industrial Development Board (CIDB).

There is also MOU draft developed with Savant to establish Renewable Energy Incubator and R3.5 million is already secured from De Beers Consolidated Mines under Social and Labour Plans.

In order for SPM to be seat of spheres of government and private companied a draft document to establish Knowledge Management Information Incubation Hub (KMIIH) is completed.

Pillar Two

SPM has initiated a relationship with Swiss-South African Collaboration Initiative (SSACI) to accelerate the development of artisan through various engineering trades.

Pillar Three

SPM through a LED has already completed the terms of reference for the establishment of mining special vehicle for Social and Labour Plans (SLPs). The purpose is to drive consolidated in relation to all the elements of the SLPs.

3.12 FRESH PRODUCE MARKET

3.12.1 Introduction

Sol Plaatje fresh produce market falls under the Directorate of strategic Economic Development & Planning.

Sol Plaatje Fresh Produce Market was established in 1967 and situated in the N12 industrial site.

The market consists of four agents namely Subtropico, Squires & Sons, Kimberley Varsprodukte Agentskap and Samuels & Sons.

The market floor is only payable on a commission basis by producers' five percent for the market management and five to seven percent for the market agents.

The market is open not only to bulk buying but to individual purchases as well.

We have also learned about the importance of promoting of food safety and best practice of a healthy life-style.

TOP SERVICE DELIVERY

Sol Plaatje Fresh Produce Market was chosen as a pilot market for the implementation of Best Practice.

New approaches were instituted to serving clients and to ensure that they receive good quality of service.

The role of Sol Plaatje Fresh Produce Market is to provide the necessary facilities to compensate for and cover the growing gap in the market that was emerging.

Allow for equal trade opportunities for large scale, commercialised producers and small emerging farmers.

Create a platform to allow anyone to engage in trade without discrimination.

MEASURES TAKEN TO IMPROVE THE PERFORMANCE OF THE MARKET

- The implementation of the Code of Best Practice.
- Benchmarking with Bloemfontein Fresh produce market and Matlosane Fresh Produce Market.

- Implementation of Performance Audit
- Marketing & advertising
- Farmers and buyers visits

SUPPORT GIVEN TO COMMUNITIES LIVING IN POVERTY

- Sol Plaatje Fresh Produce Market, with the assistance of market agents, contributed fruit and vegetables to Rainbow Kid Crèche.
- Assisting in Poppet funerals, by donating vegetables
- Market has donated soup vegetables to Helen Joseph crèche.

MAJOR ACHIEVEMENTS

Implementation of the Performance Audit

3.12.2 Policy Objectives taken from IDP

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016//2017
		Revised Target	Actual	Revised Target	Actual	Target
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Develop an SLA for the market	N/A	100%	1	1	N/A
	7% profitability of the market	7%	-3.76%	7%	4.5%	N/A

3.12.3 Financial performance 2015/2016

Details	2014/2015	2014/2015			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**3 986**	4 986	4 986	3 979	-20%
Expenditure:					
Employees	4 192	4 403	4 403	3 698	-16%
Repairs and Maintenance	380	400	535	473	-12%
Other	2 110	2 501	2 366	1 759	-26%
Total Operational Expenditure	**6 6823**	7 304	7 304	5 930	-19%
Net Operational Expenditure	**2 696**	2 318	2 318	1 951	-16%

3.12.4 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

3.12.5 Comment on the performance overall

Overall Market Performance is calculated from all the indicators as indicated in the SDBIP for 2015/2016. One of the challenges experienced this year was the draught that our country faced and we didn't have any control over it. Seven out of nine provinces were declared as disaster area as most of the farmers could not produce due to the draught that led to the loss of revenue and tonnages.

Sol Plaatje Fresh Produce Market has a lot of potential to ensure that the market is profitable, and attracts more investors such as fisheries, florists and bakeries to invest in the market.

3.13 GALESHEWE URBAN RENEWAL PROGRAMME (URP)

3.13.1 Introduction

The major drive behind the Urban Renewal Program is to utilise public sector investment as a strategic vehicle to lobby private sector investment and to sustain spending in order stimulate income generation in the townships as well as sustainable job creation, thus development of a new township strategy known as the Urban Network Strategy UNS is funded through Neighbourhood Development Partnership Grant (NDPG).

Galeshewe is one of the national urban nodes earmarked for development and support from national treasury's Neighbourhood Development Partnership Grant (NDPG) that is technical and financial support.

The local economic development opportunities and social infrastructure development are as a direct result of programmes such as URP and NDPG due to the direct impact of **public spending,** job creation, SMME development, support and economic growth. These are the immediate financial and non-financial impacts of the GURP.

ACHIEVEMENTS

Provincial Infrastructure Grant (PIG) (URP)

During the 2015/2016 financial year business plans for the following projects were submitted to COGHSTA for capital funding:

- Paving of Platfontein access road
- Paving of Riverton access road
- Tommy Morebodi Sports Park Upgrade

All three projects were implemented and completed within the current financial year.

Neighbourhood Development Partnership Grant (NDPG)

Sol Plaatje Municipality's Urban Renewal Programme (URP) as part of Urban Network Strategy (UNS) has successfully registered the City Hall with National Treasury (NDP) as the Primary Hub and various other strategic economic pockets within the CDB and RC Elliot, Barkley Road Shoprite Shopping Centre as the secondary economic hubs with Nobengula, Hulana, Seochoareng, Galeshewe and Barkley Road as the secondary linkages primarily to revive the CBD and to create easy access to the primary hub.

URP through the NDPG has successfully registered quick wins' projects that were approved and funded by National Treasury. These projects include new Taxis lay-bys stops along the secondary linkages and to completed the incomplete sidewalks along the secondary

linkages that is Nobengula, Seochoareng, Hulana, Galeshewe and Barkley road in Galeshewe, thus Aganang Consulting Engineers were appointed for designing, planning and project management.

Subsequent to that roads will be widened to make provision for the erection of twenty normal and super Taxi/bus lay-bys shelters and rubbish bins as part of the broader transport intermodal plan of the URP. It must be noted that this project will be implemented in the subsequent year/s because the approval was only for planning and designs.

OPPORTUNITIES

- URP can forge more inclusive planning that has a multi-disciplinary approach
- URP has an annual gazetted allocation from Provincial government
- National Treasury (NDP) have created a shorter method of appointing professional service providers on behalf of municipalities to expedite project implementation
- One of URPs main advantages is that under NDPG there is an annual gazetted allocation for any project that can leverage private sector investment
- Encourage counter-funding from sector department and other strategic partners
- URP is a Presidential/Political programme.

CHALLENGES

- Lack of internal budget allocation to fund URP initiative limits URP scope of work and/or to use as counter funding NDPG allocations.
- Operational budgetary constraints hamper URP projects implementation as the URP section has a staff component of only four personnel.
- Absence of a political champion for the programme leads to reluctance for other sector departments and partners to fund the programme and forge strategic partnerships.
- Lack of strategic and technical support from provincial government.
- URP has an unfunded mandate.

KEY PERFORMANCE INDICATORS

Through URP Intergovernmental Relations KPI and/or stakeholder engagements we had engaged with multiple stakeholders to improve URP integrated planning and to have an effective Urban Renewal Programme.

Thus, we were able to forge strategic partnerships in particular with the Department of Energy, primarily to establish a URP Integrated Energy Centre (IEC) (filling station) that will be owned and managed by a co-operative. We have also tried to explore other sources of funding, and how best to address some of the immediate challenges we are confronted with.

We also had engagements with Co-operative Governance Human Settlements and Traditional Affairs Department (COGHSTA) as our core provincial funder so as to improve our relations. These engagements had good results because URP was able to claim the entire allocation due to improved communication as compared to previous incidents.

An internal stakeholder meeting with internal partners was convened to give feedback on progress made on Urban Network Strategy (UNS) and to gather comments as part of the integrated and comprehensive planning.

Meeting with the Sports and Recreation Provincial Portfolio Chairperson and Department of Sport officials was convened to explore possible funding and how sporting facilities, with particular emphasis on Tommy Morebodi, could be upgraded were some of the discussions.

All planned capital projects were successfully and timeously implemented at 100% expenditure thus sixty additional temporary jobs were created in various communities as part of our annual target.

The Urban Networks Strategy is not completed and will therefore continue into the subsequent financial year. The contract of the consultants is extended due to unforeseen circumstances; spatial constraints within the CDB (for e.g. closure of Bultfontein road) and possible increase scope of work by National Treasury.

Through our service delivery priorities, we managed to make the following impact in the community during the financial year:

- Improved dignified public space
- Sense of pride and belonging was created
- Social cohesion promoted in local communities

- Created temporary jobs
- More secondary service to URP beneficiaries
- Crime prevention through urban upgrade.

3.13.2 Galeshewe Urban Renewal Programme Objectives Taken From IDP

Strategic objectives	Key Performance Indicator	2013/2014		2014/2015		2015/2016	
		Revised Target	Actual	Revised Target	Actual	Target	Actual
To provide an enabling environment for LED in SPM within the context of National and Provincial framework	Monitoring, facilitation and implementation of approved GURP capital projects	80%	50%	100%	65%	90%	100%
Submit business plans to COGHSTA	Submission of business plans to external funders	4	4	4	11	4	4

3.13.3 Financial performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	–	–	–	–	0%
Expenditure					
Employees	2 310	3 006	3 006	2 790	-7%
Repairs and Maintenance	–	–	1	1	0%
Other	125	261	260	104	-60%
Total Operational Expenditure	**2 435**	3 267	3 267	2 895	-11%
Net Operational Expenditure	**2 435**	3 267	3 267	2 895	-11%

3.13.4 Capital Expenditure 2015/2016

(This capital expenditure is included in the Departments that carried out the work.)

Project Name	Project Description	Spent amounts (R'000)	Project Status
Tommy Morebodi Upgrade Sport Park Upgrade (phase i)	Erection of clear view fence and outdoor gym equipment installation.	2 311	Completed
Riverton Access Road Paving	Paving of Riverton access road (500m)	1 211	Completed
Platfontein Access Road Paving (Phase i)	Paving of Platfontein access road (800m)	2 850	Completed
Galeshewe transport linkages upgrade	Professional services for URP mini bus/taxis lay-bys and shelter	796	Multi year
Total Budget		**7 168**	

3.13.5 Comment on performance overall

In the 2015/2016 financial year the Urban Renewal Programme successfully submitted business plans for the above-mentioned projects and timeously completed all capital projects funded through the Provincial Grant.

National Treasury (NDP) and Sol Plaatje Municipality (URP) through PRASA (Intersite) appointed Maxlou Consultants to develop the URP Urban Network Strategy, Sol Plaatje Municipality granted Intersite permission through NDP to extend the contract of Maxlou Consultants due to unforeseen circumstance that led to non-completion of the strategy as per the contract thus this KPI was not met. Numerous studio sessions were convened to gather stakeholder's input.

Subsequently URP was also able to lobby and persuade National Treasury (NDP) to unlock some capital grant for the appointment of a consultant for planning and design and completion of incomplete sidewalks along the secondary linkages as quick win project.

It should also be noted that no funding was made available internally from the municipality to leverage funding from other potential funders.

URP is thus forced to network and lobby sector departments to come on board as strategic partners and/or give any support to URP in order to realise some of the broader objectives of URP.

Up until the noted challenges of Urban Renewal Programme are addressed and attended to, the intended impact of URP will not be fully realised thus compromising the purpose of the programme.

URP performed relatively well in achieving the set KPIs especially those that are entirely under the section control. There is a huge improvement in terms of capital budget expenditure and claiming the grant from provincial government and increased number of temporary jobs created.

The specific objectives include:

- General improvement that can leverage private sector investment
- Initiating neighbourhood development projects that provide community infrastructure and create the platform for private sector investments that will improve the quality of life of residents in targeted areas.
- To improve transport networks and create intermodal transport spaces.
- Developing appropriate project proposals for property developments in townships and new residential neighbourhoods that include the construction and or upgrading of community facilities and, where appropriate, attract private sector funding and input.
- Contribute to creation of integrated, mixed-use, economically viable neighbourhoods
- Contribute to creating liveable and dignified spaces and communities
- To achieve increased and accelerate equity and;
- To attain social cohesion

COMPONENT D: COMMUNITY & SOCIAL SERVICES

The mandate for the **Directorate: Community and Social Development Services** is derived from the Constitution of the Republic of South Africa (Act No. 108 of 1996) which provides that local government must, as part of its objectives, ensure the provision of services to communities in a sustainable manner; the promotion of a safe and healthy environment and the achievement of social development imperatives. The Directorate performs functions that are dedicated to the social and environmental well-being of the community. Part of the matters listed in schedule 4(b) and 5(b) of the Constitution are the primary responsibility of this Directorate. These include firefighting services, municipal health services, cemeteries, cleansing services, municipal parks amongst others.

The functional responsibilities of the Directorate are:

- Parks and Recreation
- Library Services
- Waste Management and Environmental Health
- Emergency Services
- Traffic Law Enforcement Services
- Motor Licensing and Registration Services
- Social Development Services and
- Primary Health Care Services (Clinics).

3.14 MOTOR VEHICLE LICENSING AND REGISTRATION

3.14.1 Introduction

The primary sections residing under this Department are:

- Motor Registration Section
- Vehicle Testing Station
- Drivers' Licence Section.

The Drivers' Licensing Section is based on issuing legal, valid and authentic Learners' Licences, Drivers' Licences and Professional Drivers' Permits (PrDP).

The function of the Vehicle Testing Station is to ensure that all vehicles going through the Vehicle Testing Station (VTS) undergo roadworthy to determine whether they are in a good condition and that they are roadworthy. In doing so, they are tested according to the compliance standards of the South African Bureau of Standards (SABS).

Registration of vehicles must be in-line with Road Traffic Act (Act No. 93 of 1996). All relevant registration documents must be submitted and comply with the requirements of the Act.

All spheres of government must comply with the requirements of the National Road Traffic Act (Act 93 of 1996) and the Provincial Standards.

Targets that we set in this regard were to address service delivery objectives and the administrative efficiency of the Department in delivering an effective service to every individual who requires the service of the Department.

ACHIEVEMENTS

During 2015/2016, the Department was geared towards optimising its service delivery capacity by ensuring the appointment of qualified personnel to key senior positions. That has enabled the department to address service delivery challenges previously encountered by the department. Such include the period of achieving shorter waiting period for all services, thus reducing long queues and achieving greater customer satisfaction.

CHALLENGES

The use of manual filling systems has impacted negatively on the availability of office space. This is posing a serious challenge and would be address through process of automating the filling system through the acquisition of a scanner.

The revised and approved organogram requires the filling of the identified critical posts. However, these have to be budgeted for and funded, before they are filled.

MEASURES TO IMPROVE

Following the appointment of internal personnel to critical positions, this has required the continuous training and appointment of personnel to posts that became vacant as a result of such appointments.

It is necessary to expand the facility because of the influx of people requiring the service of the Department. Furthermore, the archival space for the storage of compliance documents is a serious challenge. The procurement of scanners and other electronic equipment will enable automation of the service and greatly assist in the electronic storage capacity. This would also enable compliance with the applicable national standards.

3.14.2 Motor vehicle licensing policy objectives taken from the IDP

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Process Learner Driver license applications	6,000	6,572	6,000	6,581	6,000
	Process driver license applications	3,600	4,955	3,600	4,947	3.600
	Testing of roadworthy of vehicles to comply with the Act and SANS specifications	960	1,053	960	971	960
	Process of renewal applications of driver licenses of existing drivers and bio/annual renewal of PRDP (Professional driving permit)	12,000	14,177	12,000	14,157	12,000

3.14.3 Employees: Motor Vehicle Licensing and Registration

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	1	2	1	1	50.00
Professionals	0	1	1	0	0.00
Technicians & Trade Workers	3	6	3	3	50.00
Clerks & Administrative Workers	14	14	14	0	0.00
Community and Personal Workers	5	15	7	8	53.33
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	0	3	0	3	100.00
Elementary Occupations	2	6	2	4	66.67
Total	**25**	**48**	**29**	**19**	**39.58**

3.14.4 Financial Performance 2015/2016

Details	2014/2015	2015/2016				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**6 986**	**8 735**	**8 735**	**9 000**	**3%**
Expenditure					
Employees	7 555	9 704	9 704	8 742	-10%
Repairs and Maintenance	122	177	117	103	-42%
Other	898	639	696	495	-23%
Total Operational Expenditure	**8 575**	**10 520**	**10 517**	**9 340**	**-11%**
Net Operational Expenditure	**1 589**	**1 785**	**1 782**	**340**	**-81%**

3.14.5 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

3.14.6 Comment on Performance Overall:

The department has been able to achieve the set performance objectives with limited resource availability. This is achievement is largely due to the filling of critical vacancies and the improvement of staff morale to due to innovative team building exercises implemented during the period under review.

3.15 LIBRARY AND RESEARCH SERVICES

3.15.1 Introduction to Libraries

Vision: We shall strive to provide a complete information and research service to all inhabitants within the Sol Plaatje Municipality area.

Our Mission: Is to be an outstanding service delivery and research unit educating the public for life and addressing all information challenges facing our society.

To improve the literacy rate in Kimberley and to support the education system.

To render a free democratic library and information service to empower all inhabitants in all facets of life.

Service points .... 10 (Exclusive of the schools and old age homes)

Full time staff complement 37

Temporary staff complement 15

Total 52

KEY PERFORMANCE AREAS

- To establish a reading culture
- To provide a research service
- To provide an information service

HIGHLIGHTS OF THE YEAR

- One of the highlights of the year was the launch of the Mzansi–Online services at the Galeshewe library. The Bill Gates Foundation provided funding for computers, tablets and Kindles (for reading books) to three libraries in the Northern Cape of which Galeshewe was one. Some of the staff members received training in Pretoria to assist the public in the usage of these information tools.

- The Annual Performer of the Year competition at the Sol Plaatje Municipality was held on 27 November 2015. The Africana Library won the competition in the service delivery section with the Beaconsfield Library as runner-up.

- Literacy classes are still continuing at the Galeshewe- and the Main Library. The Main Library was without a teacher for four months. These classes are sponsored from grant funding received from the Northern Cape Provincial Library Services.

- The library staff received continuous in-house training to ensure excellent service delivery. The training of four police staff members as interns was an on-going process until the end of May 2016. Their training included

    - How to start your library
    - Service delivery, and to
    - Determine the needs of your clients.

- Training was also provided to library prefects at Girls High School.

- A Memorandum of Agreement was signed between the Sol Plaatje University and the Sol Plaatje Library Services regarding the services to be rendered to the students and the storing of their study material. Rules were drafted by our library staff which were approved by the university authorities regarding the usage of their material.

- A complete asset count of all our library material at all our service points was conducted by the Northern Cape Provincial Library Services during February 2016. More than 250,000 items were scanned during this process. Each service point was closed for the duration of their stock-taking.

- A Tattle Tape book detection system was installed at the Judy Scott Library to assist with the protection of library material and to provide statistics on the usage of the library. An electric fence was erected on the Beaconsfield Library boundaries to stop the vandalism. Fresh air units were installed at Galeshewe- and the Main library.

- The National Lottery awarded the Africana Library with a beneficiary award in November 2015 due to the excellent manner in which the funding was managed and spent during the past few years.

3.15.2 Service Statistics for Libraries

Detail	2014/2015	2015/2016
Book circulation	269,753	251,008
Internet searches done by users*	13,170	26,125
Photo copies made	338,984	415,593
Researches completed successfully at Africana	1,535	1,394
Magazines circulated	16,299	15,044
Videos/cd's circulated	712	774
Faxes sent	1,891	637
Enquiries handled	17,165	15,760
Use of library halls	801	1,136

3.15.3 Library Services Policy Objectives taken from the IDP

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of library services to all residents of Sol Plaatje Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Conduct awareness programmes through monthly exhibitions	120	167	120	167	120
	Respond to enquiries received regarding general information within seven working days	90%	97,71%	90%	98%	90%
	Conduct outreach programmes at al service points to inculcate a reading culture	120 programmes	363 programmes	120 programmes	345	120
	Respond to enquiries received regarding research at Africana Library within seven working days	95%	98,21%	90%	98%	90%
	Spend approved library grant (actual expenditure divided by the approved grant)	100%	100%	100%	100%	100%
	Submit reports to the Portfolio Committee on new library activities	N/A	N/A	12	12	12

3.15.4 Employees: Library Services

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	1	1	1	0	0.00
Professionals	9	22	10	12	54.55
Technicians &Trade Workers	0	0	0	0	0.00
Clerical & Administrative Workers	1	1	1	0	0.00
Community & Personal Workers	18	33	18	15	45.45
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	1	1	1	0	0.00
Elementary Occupations	7	7	7	0	0.00
Total	**37**	**66**	**39**	**27**	**40.91**

3.15.5 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**1 579**	**8 085**	**7 581**	**6 943**	**-14%**
Expenditure					
Employees	8 947	10 722	10 722	1 117	-90%
Repairs and Maintenance	21	4 480	4 565	2 882	-36%
Other	5 453	1129	1 548	16 42	45%
Total Operational Expenditure	**14 421**	**16 331**	**16 835**	**5 641**	**-65%**
Net Operational Expenditure	**12 842**	**8 246**	**9 254**	**(1 302)**	**-116%**

3.15.6 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

3.15.7 Comment on the Performance Overall

We receive R7 253 000 as a conditional grant from the Northern Cape Provincial Library Services which was spent according to the following project plans:

All projects were completed successfully and grant spending was 100%.

Project	Amount of grant funding (Rand)
Staff	3 756 000
Operational	932 000
Literacy	60 000
Infrastructure projects	2 505 000

3.16 SOCIAL DEVELOPMENT (HIV/AIDS)

3.16.1 Introduction to Social Development (HIV/Aids)

The Sol Plaatje Municipality must be a meaningful and effective partner in a sustainable **TB/STI/HIV/AIDS** Prevention and Treatment Programme while at the same time addressing contributing issues.

3.16.2 Service Statistics for Social Development (HIV/Aids)

The assistance rendered for funerals for indigent families contributes towards poverty relief.

Detail	2014/2015	2015/2016
Condoms distributed	18,215	18,657
HIV tests performed	208	237
Tested positive for HIV	4	3
On anti-retro viral drug treatment	4	1
Deaths	1	0

Detail	2014/2015	2015/2016
Families assisted with indigent burials	129	172

3.16.3 Social Development (HIV/Aids) Objectives taken from IDP

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of social development (HIV/Aids) to all residents of Sol Plaatje Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Distribute condoms to employees on a monthly basis	32,000	24,000	12,000	18,657	24,000
	Train Peer Educators to provide support to HIV positive employees and their families	6	24	6	45	6
	Conduct quarterly awareness campaigns for HIV, STI and TB	4	4	4	6	4
	Assist indigent families with burials	60	129	120	135	120

3.16.4 Employees (Social Development HIV/Aids)

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	0	0	0	0	0.00
Professionals	1	0	0	0	0.00
Technicians &Trade Workers	0	0	0	0	0.00
Clerks & Administrative Workers	2	2	2	0	0.00
Community & Personal Workers	0	0	0	0	0.00
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	0	0	0	0	0.00
Elementary Occupations	0	0	0	0	0.00
Total	**3**	**3**	**3**	**0**	**0.00**

3.16.5 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**0**	**0**	**0**	**0**	**0%**
Expenditure					
Employees	1 025	957	957	957	0%
Repairs and Maintenance	0	0	0	0	0%
Other	377	399	378	252	-37%
Total Operational Expenditure	**1 402**	**1 356**	**1 335**	**1 209**	**-11%**
Net Operational Expenditure	**1 402**	**1 356**	**1 335**	**1 209**	**-11%**

3.16.6 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

3.16.7 Comment on performance overall

The Social Development Unit performs well with regard to being a meaningful and effective partner in a sustainable TB/STI/HIV/Aids Prevention and Treatment Programme. The pillars of this Programme are

- HCT (HIV Counselling and Testing)
  - HCT is a continuous process
  - Sections are visited on a regular basis
  - HIV positive clients are continuously counselled and referred
  - *CD4 count blood specimen are regularly checked*
  - A target of 20 employees are tested monthly

- Condom distribution
- Training of Peer Educators
- Awareness and Promotion
- The indigent burial project.

The targets set for the Social Development have been met according to the IDP Objectives of this section, except for the condom distribution which was affected by difficulty in obtaining stock.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.17 SUSTAINABLE ENERGY AND CLIMATE CHANGE UNIT (SECCU)

3.17.1 Introduction

The Sustainable Energy and Climate Change Unit, consists of a Co-ordinator, Energy Officer and a Biodiversity Officer which champions the energy efficiency and climate change, and facilitate the integration of the SPECCS within the Municipality.

The SPECCS set out the Municipality's plan to combat climate change and promote sustainable energy solutions within our jurisdiction.

SPM endorsement of the SPECCS emanates from the Municipality's vision of emerging as South Africa's premier Solar City in line with the Municipality's 'Declaration of Commitment to Energy Efficiency and Climate Change Mitigation', which was signed in 2007.

The SECCU unit was moved to the Electricity sub-directorate at the beginning of 2015. The two leading positions in SECCU are vacant at the moment.

3.17.2 SECCU Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of environmental health to all residents of Sol Plaatje Municipality						
4	Conduct bi-monthly (6 per annum) SPECC (Sol Plaatje Energy and Climate Change) committee meetings	6	8	6	2	6
	Report quarterly on the progress of partnerships with regards to the energy efficient and climate change and	4	4	4	1	4

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
	submit to the Portfolio Committee					
	Report quarterly on the implementation the Sol Plaatje Energy and Climate Change Strategy (SPECCS) to the Portfolio Committee	4	4	4	1	4

3.17.3 Employees: SECCU

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	0	0	0	0	0.00
Professionals	1	1	0	1	100.00
Technicians & Trade Workers	0	0	0	0	0.00
Clerks & Administration Workers	0	0	0	0	0.00
Community & Personal Workers	0	0	0	0	0.00
Service & Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	0	0	0	0	0.00
Elementary Occupations	0	0	0	0	0.00
Total	**1**	**2**	**1**	**1**	**50.00**

(SECCU now falls under Electricity; the move took place in the beginning of 2015.)

3.17.4 Financial Performance 2015/2016

Details	2014/2015	2015/2016				
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000					
Total Operational Revenue	**0**	**0**	**0**	**0**	**0%**
Expenditure					
Employees	1 707	1 857	1 857	1 252	-33%
Repairs and Maintenance	0	0	0	0	0
Other	40	159	158	30	-81%
Total Operational Expenditure	**1 747**	**2 016**	**2 015**	**1 282**	**-36%**
Net Operational Expenditure	**1 747**	**2 016**	**2 015**	**1 282**	**-36%**

3.17.5 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

3.17.6 Comment on performance overall

Due to the update and revision of SPECCS the current six main objectives were reduced to five objectives with summarised activities (action plans) and takes an extremely broad approach to address energy and climate change, taking into account transportation, residential, commerce and industry and the municipal and the municipal sectors. This strategy was reviewed during 2013 and a revised strategy supported by the updated 2005 State of Energy Report (SoER) in 2013 was tabled to Council for approval and implementation early in 2014.

Pre-implementation capacity and municipal status projects:

- Updated of SPM SoER
- Review of SPM SPECCS
- SPM EE Capacity Assessment

Status: On-going

Direct funding available for SPM EE Building Audit R75 000

Status: On-going

COMPONENT F: HEALTH

This component includes: clinics and environmental health.

3.18 INTRODUCTION TO CLINICS AND ENVIRONMENTAL HEALTH

The main function of Personal Health Services is the rendering of a primary health care service to all residents in the Sol Plaatje Municipal Area.

The main function of the Environmental Health Services is to render a cost effective professional environmental health service (health inspections, vector control, refuse removal and cleaning services) to the Sol Plaatje Municipal Area.

3.18.1 Clinics

The National Department of Health has developed an Integrated Chronic Disease Management (ICDM) model.

It is Innovative Care for Chronic Conditions: Building blocks for Action – to improve the quality of Primary Health Care (PHC) services.

Phases of Implementation

Consists of (4) four phases, namely:

Phase 1: Facility re-organisation.

Phase 2: Clinical Management Support.

Phase 3: "Assisted" self-management through the down-referral of patients to the facilities.

Phase 4: Health system support and strengthening.

Total number of patients seen for the year.......301,160

Chronic diseases and Curative ailments, form 70% of the services rendered at the six Sol Plaatje Clinics.

Maternal-, Mental Health, Child Care, Reproductive Health, Prevention of Mother-to-child Transmission (PMTCT), Communicable Diseases, Oral Health, Dispensing, Health

Education and Anti-Retroviral Therapy, formed the other 30% of the services rendered to the community of Sol Plaatje.

CHALLENGES

- Budget constraints.
- Infrastructure unsuitable. No extra space available at facilities.
- Moratorium placed by the Department of Health on appointment of staff at Sol Plaatje, as they will provide staff. This is not happening due to budget constraints, which lead to huge staff shortages at clinics.
- No security at clinics.
- Pre-packing, labelling of medication.
- Drug/stock control.
- Out of stock medication.
- Limited equipment.
- Patient loads.
- Occupational hazards, e.g. Tuberculosis (TB), Extensively Drug Resistant TB, etc.
- No computer-services with linkages to clinics – help to identify patients.
- Maintenance of buildings, equipment.
- Redundant equipment taking up extra space.
- Work outside scope of practice.
- Staff morale / Absenteeism.
- Violent behaviour / patient demands.
- Lack of support from Department of Health.

Provincialisation – uncertainties regarding future.

3.18.2 Service data for Clinics

Details		2014/2015	2015/2016		2016/2017
		Actual	Estimate	Actual	Estimate
		No.			
1	Average number of Patient visits on an average day	1,685	2,000	1,505	2,000
2	Total Medical Staff available on an average day	69	80	69	80
3	Average Patient waiting time (in minutes)	60-75	45-65	45-60	30-20
4	Number of HIV/Aids tests undertaken in the year	14,783	19,000	13,744	16,000
5	Number of tests in 4 above that proved positive	1,048	102	972	700
6	Number of children that are immunised at under one year of age	1,792	2,200	1,997	2,500
7	Child immunisations above compared with the child population under one year of age	*	*	*	*

* No statistics available for the number of child population under one year of age.

Average Patient waiting time: Due to the introduction of the “Ideal Clinic” at facilities, the waiting time at clinics on average, is 15 minutes shorter.

3.18.3 Clinics Policy Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of personal health services to all residents of Sol Plaatje Municipality.						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Provide comprehensive primary health care including - maternal health care (Antenatal, postnatal, reproductive health, cervical screening, breast examination) and TOP referrals, curative-, rehabilitative- chronic services (HIV, ARV & TB Services) and mental health care to reach head count of 80% of population by 30 June	360,000	311,619	360,000	268,132	360,000
	Promote health through preventative health education & immunisation, IMCI and PMTCT to reach a head count of 80% of population by 30 June	60,000	41,117	60,000	36,353	60,000

3.18.4 Employees: Clinics

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	0	1	0	1	100.00
Professionals	7	71	5	66	92.96
Technicians & Trade Workers	0	0	0	0	0.00
Clerks & Administrative Workers	5	11	5	6	54.55
Community & Personal Workers	0	0	0	0	0.00
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	2	2	2	0	0.00
Elementary Occupations	9	12	8	4	33.33
Total	**23**	**98**	**21**	**77**	**78.57**

3.18.5 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**2 663**	**2 978**	**2 978**	**0**	**-100%**
Expenditure					
Employees	8 905	11 472	11 487	7 930	-31%
Repairs and Maintenance	52	70	106	90	29%
Other	1 062	1 083	1 053	4 860	349%
Total Operational Expenditure	**10 019**	**12 625**	**12 646**	**12 880**	**2%**
Net Operational Expenditure	**7 356**	**9 647**	**9 668**	**12 880**	**34%**

3.18.6 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

3.18.7 Comment on the Performance of Clinics Overall

Daily provision of services to the community continue, but under strenuous conditions due to huge staff shortages, lack of efficient space and medication shortages at all facilities.

3.19 ENVIRONMENTAL HEALTH

3.19.1 Introduction to Environmental Health

Municipal Health Services (MHS) are entrenched in the Constitution of SA and is set out in various legislation. The MHS is a highly-regulated environment with the following functions:

- Food Safety
- Disease Control
- Environmental Assessments and investigations
- Waste Management
- Pollution Control
- Occupational Health and Safety
- Chemical safety
- Vector Control
- Water Quality Management

The focus on the section is Food Safety, Pollution Control and Environmental Assessments and Investigations. The primary approach within Environmental Health Services is the prevention and limitation of negative and adverse impacts on the health of our communities and the environment.

This section has seven EHPs responsible for all the tasks and duties as per the Scope of Practice. Should the national norm of one EHP per 10 000 of the population be achieved, this will entail a staff component of 28 EHPs. Thus, there is a massive staff shortage.

3.19.2 Service Statistics for Environmental Health

Detail	2014/2015	2015/2016
Persons given health/hygiene awareness – training in food safety	2,684	1,573
Inspection/investigations of food premises to ensure compliance to legislation	3,396	2,899
Environmental pollution control investigations	3,256	1740
Water samples taken	102	62
Food samples taken	77	20
Inspections of complaints attended to ensure effective hygiene control	406	385
Vector control complaints attended to	1,557	2,585
Foodstuff condemned (unfit for human consumption)	114 725.10kg	62,394
Certificates of acceptability applications – Inspections new food premises	174	163
Inspections/ investigations of general businesses	155	875
Building plan inspections approved	106	46

3.19.3 Environmental Health Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of environmental health to all residents of Sol Plaatje Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Conduct health/hygiene awareness training sessions	240	2,684	240	1,877	240
	Conduct Inspections/investigation of food premises to ensure compliance to legislation	1,200	3,396	720	2,840	720
	Conduct routine inspections and investigations (including complaints) and inspections conducted to ensure compliance to legislation	1,800	3,256	1,800	2,634	1,800
	Conduct surveys, inspections and attend to complaints to ensure effective vector control	2,160	1,923	2,160	2,453	2.160

3.19.4 Employees: Environmental Health

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	1	4	1	3	75.00
Professionals	6	24	6	18	75.00
Technicians & Trade Workers	0	0	0	0	0.00
Clerks & Administrative Workers	0	5	0	5	100.00
Community & Personal Workers	0	1	0	1	100.00
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	0	0	0	0	0.00
Elementary Occupations	0	0	0	0	0.00
Total	**7**	**35**	**8**	**27**	**77.14**

3.19.5 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**40**	**30**	**30**	**30**	**0%**
Expenditure					
Employees	4 528	5 717	5 717	6 653	16%
Repairs and Maintenance	5	163	163	131	-20%
Other	283	347	347	178	-49%
Total Operational Expenditure	**4 816**	**6 227**	**6 227**	**6 962**	**12%**
Net Operational Expenditure	**4 776**	**6 197**	**6 197**	**6 932**	**12%**

3.19.6 Capital Expenditure 2014/2015

There was no capital expenditure during the period under review.

3.19.7 Comments on Performance Overall

The Environmental Health Section has had a challenging year. It was necessary to severely prioritize the functions as reflected in the Health Act. This was due to major staff shortages. Not only was the staff component far below the national norm which would require a personnel component of 28 EHPs, the staff were further depleted due to EHPs utilised in acting capacities within other sections.

Despite these challenges, the Environmental Health Section performed well above expectation and all objectives were achieved.

The Vector Control Section was fully staffed and all vacancies were filled. This bodes well for the functioning of the said section and the full service it provides to all communities.

COMPONENT G: SECURITY AND SAFETY

This component includes: Traffic Law Enforcement; emergency services; disaster management, licensing and control of animals, and control of public nuisances, etc.

3.20 TRAFFIC LAW ENFORCEMENT

3.20.1 Introduction to Traffic Law Enforcement

OBLIGATIONS OF THE TRAFFIC SECTION

The Traffic Section is responsible to ensure a safe road environment by providing efficient and effective law enforcement resulting in the reduction in the loss of life as well as the number of persons injured on our roads, and creating public awareness with emphasis to educate all road users.

The main function of traffic services is to ensure the free flow of traffic and for all road users to arrive alive. In order for us to be successful in this objective one needs to ensure as a priority that:

- all vehicles that make use of the road are roadworthy
- the person in control of the vehicle must be driving fit
- pedestrians are safe
- there is no overloading
- there is no drinking and driving
- safety belts are worn.

In order to achieve our main functions emphasis is placed on:

- Road blocks
- Stopping and checking
- Speed and red robot law enforcement
- Hawkers
- Overloading of vehicles
- Taxi's

- Parking offences in the CBD
- Drunk driving
- Escort of abnormal loads/processions
- Arrangements and policing of special events
- Execution of warrant of arrests
- Traffic related complaints
- Road signage and markings
- Traffic law administration
    - cashier services (payment of fines and miscellaneous payments)
    - data capturing
    - reporting and capturing of accidents
    - preparation of court dates
    - collecting and filing of warrant of arrests
    - filing & safekeeping of all traffic court documents
    - representations
- Accidents
- Transportation of dangerous goods
- The Gatherings Act (Act No. 203 of 1993)
- Building Plans
- AARTO Awareness

3.20.2 Service Statistics

Details		2014/2015	2015/2016		2016/2017
		Actual	Estimate	Actual	Estimate
		No.			
1	Number of road traffic accidents during the year	3,389	n/a	2795	n/a
2	Number of by-law infringements attended	40,007	n/a	39,619	n/a
3	Number of police officers in the field on an average day	40	44	44	44
4	Number of police officers on duty on an average day	47	53	49	53

3.20.3 Traffic Law Enforcement objectives taken from the IDP

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of traffic services to all residents of Sol Plaatje Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Facilitate regular stop and check points to improve road safety	108,000	114,521	108,000	112,064	108,000
	Conduct regular roadblocks to test the roadworthiness of vehicles conducted successfully in line with national initiatives	8	11	8	8	8
	Maintain road traffic signs and road markings in accordance with standards determined for SADC countries	90%	85%	90%	87%	90%
	Monitoring and collection of outstanding fines on a monthly basis	50%	41.58%	50%	47.50%	50%
	Report monthly on accidents in Sol Plaatje Municipal Area to the ED and the Safety and Security Committee	100%	100%	12	8	12
	Conduct public awareness programmes for the implementation of AARTO	6	9	6	6	6

3.20.4 Employees: Traffic Law Enforcement

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	3	5	5	0	0.00
Professionals	0	0	0	0	0.00
Technicians & Trade Workers	2	9	2	7	77.78
Clerks & Administrative Workers	14	18	17	1	5.56
Community & Personal Workers	0	0	0	0	0.00
Service and Sales Workers	47	53	47	6	11.32
Plant & Machine Operators	1	1	1	0	0.00
Elementary Occupations	13	18	13	5	27.78
Total	**80**	**105**	**86**	**19**	**18.10**

3.20.5 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**4 744**	**10 750**	**10 750**	**9 198**	**-14%**
Expenditure					
Employees	22 502	29 245	29 398	28 917	-1%
Repairs and Maintenance	576	1 215	1 197	1 099	-10%
Other	1 562	2 415	2 283	2 108	-13%
Total Operational Expenditure	**24 640**	**32 875**	**32 878**	**32 124**	**-2%**
Net Operational Expenditure	**19 896**	**22 125**	**22 128**	**22 926**	**4%**

3.20.6 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

3.20.7 Comment on the Performance of Traffic Law Enforcement Overall

The targets set out in the previous financial year was met except for the capturing of road accidents. The reason for this was that we had a system failure / crashed and had to be send to Johannesburg to be repaired and information to be recalled.

Payments on fines is still and will remain a challenge until the AARTO legislation is finalized. Information from the eNatis system remains on initials and needs to change as legislation compels full names and Identity Numbers on summonses.

The quality of the paint used for road markings needs to be addressed as a matter of urgency as the life span of the road marking is less than 3 months.

3.21 EMERGENCY SERVICES (INCLUSIVE OF DISASTER MANAGEMENT)

3.21.1 Introduction to Emergency Services

Rendering of an all-inclusive effective emergency service (fire, rescue and disaster management activities) through the following sections Operational, Public Safety and Training and Logistical to the residents of Sol Plaatje Municipal Area.

3.21.2 Service Statistics

Details		Year 2014/2015	Year 2015/2016		Year 2016/2017
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Total fires attended in the year	575	**The number of incidents cannot be estimated.**	755	**The number of incidents cannot be estimated**
2	Total of other incidents attended in the year	412		445	
3	Average turnout time - urban areas	3 min (95% compliance) Compliance according to the SANS 10090, Community safety against fires			
4	Average turnout time - rural areas				
5	Fire fighters in post at year end	45	This cannot be estimated. Additional fire fighters need to be appointed for the new four-shift system to be worked by the operational section; additional personnel at the public safety section, training section and logistical section	40	This cannot be estimated. Additional fire fighters need to be appointed for the new four-shift system to be worked by the operational section; additional personnel at the public safety section, training section and logistical section.
6	Total fire appliances at year end	6	6	6	6

Details		Year 2014/2015	Year 2015/2016		Year 2016/2017
		Actual No.	Estimate No.	Actual No.	Estimate No.
7	Average number of appliance off the road during the year	1	1	2	2

3.21.3 Emergency Services Objectives taken from IDP

Emergency Services Objectives Taken From IDP						
Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services to all residents in Sol Plaatje Municipality						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Respond to call-outs within time limits as prescribed in table 1 and table 2 of SANS 10090	85%	88.27%	85%	69%	85%
	Conduct monthly fire safety/prevention inspections	720	667	720	734	720
	Present Fire safety/prevention programmes per annum	24	49	24	19	24
	Emergency preparedness and response	70%	70%	70%	70%	70%

Emergency Services Objectives Taken From IDP						
Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
	Conduct training sessions on basic firefighting, first aid, drafting of emergency plans and evacuation training	24	37	24	16	24

3.21.4 Employees: Emergency Services

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	3	15	2	13	86.67
Professionals	4	7	3	4	57.14
Technicians & Trade Workers	2	2	2	0	0.00
Clerks & Administrative Workers	8	10	6	4	40.00
Community & Personal Workers	0	10	0	10	100.00
Service and Sales Workers	33	79	40	39	49.37
Plant & Machine Operators	0	0	0	0	0.00
Elementary Occupations	8	16	8	8	50.00
Total	**58**	**140**	**62**	**78**	**55.71**

3.21.5 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**416**	**451**	**451**	**74**	**-84%**
Expenditure					
Employees	18 812	25 357	25 357	23 441	-8%
Repairs and Maintenance	911	1 321	1 321	1 237	-6%
Other	4 157	3 586	3 586	3 043	-15%
Total Operational Expenditure	**23 880**	**30 264**	**30 264**	**27 721**	**-8%**
Net Operational Expenditure	**23 464**	**29 813**	**29 813**	**27 647**	**-7%**

3.21.6 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

COMPONENT H: PARKS AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; cemeteries and campsites.

3.22 PARKS AND RECREATION

The provision of sport and recreational facilities, pleasure resort, parks and gardens and other horticultural services, community halls and to provide quality cemetery facilities and services to the residents of Sol Plaatje Municipality.

3.22.1 Service Statistics for Parks and Recreation

The nature and extent of facilities provided are

- Other community halls/facilities..10
- Cemeteries and crematoriums (crematorium private) 12
- Sporting facilities – stadia 2
- Sport fields (community facility) 8
- Caravan park.. 1
- Swimming pools.. 4
- Parks, gardens, islands.. 83 (60 ha)

3.22.2 Parks and Recreation Policy Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To ensure sustainable delivery of community services parks and recreation services to all residents of SPM						
To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Conduct monthly inspections of the cemeteries according to the templates	12	12	24	34	240
	Conduct monthly inspection of parks according to the templates	100%	100%	792	726	792
	Remove alien vegetation trees as part of the maintenance and administration of parks, sport and recreational centres	200 prosopis glandulosa	437 prosopis glandulosa As well as other invasive species	320	382	320
	Maintain community halls monthly	12	12	10	9	10
	Maintain swimming pools monthly according to specific standards	9	9	4	3	4
	Maintain stadia monthly according to specific standards	2	2	2	1	2
	Conduct monthly inspections of the resorts (Riverton, Langleg, Transka and Rekaofela)	48	54	48	3	4

3.22.3 Employees: Parks and Recreation

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	3	3	2	1	33.33
Professionals	1	2	1	1	50.00
Technicians & Trade Workers	13	16	13	3	18.75
Clerks & Administrative Workers	17	18	17	1	5.56
Community & Personal Service Workers	4	7	4	3	42.86
Service and Sales Workers	6	33	6	27	81.82
Plant & Machine Operators	22	39	31	8	20.51
Elementary Occupations	152	200	178	22	11.00
Total	**218**	**319**	**253**	**66**	**20.69**

3.22.4 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**11 126**	**9 253**	**9 253**	**6 324**	**-32%**
Expenditure					
Employees	42 145	52 448	52 587	49 126	-6%
Repairs and Maintenance	3 650	3 650	3 977	3 613	-1%
Other	12 448	7 531	7 263	11 379	51%
Total Operational Expenditure	**58 243**	**63 629**	**63 827**	**64 118**	**1%**
Net Operational Expenditure	**47 117**	**54 376**	**54 574**	**57 794**	**6%**

3.22.5 Capital Expenditure 2015/2016 – Parks and Recreation

Capital Projects	2015/2016					
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000					R'000
Total All	**17 096**	**24 818**	**16 719**	-2%	**-33%**	**119 500**
New cemetery development access road	1 211	1 211	1 967	62%	62%	11 500
Upgrade Monuments	–	10 000	1 846		-82%	80 000
Landfill Site	12 885	10 607	9 906	-23%	-7%	25 000
Loose Equipment	3 000	3 000	3 000	0%	0%	3 000

3.22.6 Comment on the Performance of Parks and Recreation Overall

One of the challenges that was faced was the shortage of staff which was addressed by filling all vacant posts. Contract workers were appointed permanently in some of the vacant posts and some permanent workers were promoted.

The Department of Environmental Affairs allocated a number of young, unemployed beneficiaries, who had an interest in the environment to work at parks and gardens for approximately one year. They had a positive impact on the Section in addressing the shortage of manpower.

The Phutanang Cemetery was handed over by the service providers, however there were some issues that were not up to standard and are being addressed to render the Cemetery operational.

Due to the continuous incidents of theft and vandalism at the sport facilities, the facilities have deteriorated and the limited funds were spent on maintenance instead of upgrading. Funds were secured to develop a master plan to upgrade all municipal sport facilities to improve their standard. Maintenance of these sport facilities is planned to be implemented during the next five-year IDP period.

The Florianville Swimming Pool Project did not get off the ground as planned. However, it is envisaged that the work will be finalised during the coming financial year in spite of the financial hurdles.

COMPONENT I: CORPORATE SERVICES

This component includes: Communications, Employment Equity, Gender and Special Programmes, Employee Relations, Risk Management, Human Resources, Security, Councillor Support and Committee Services.

3.23 INTRODUCTION TO CORPORATE SERVICES

The Directorate: Corporate Services is an internal department that provides corporate and support services to all municipal departments and employees. The directorate also offers support to municipal political offices, i.e. the Office of the Speaker and the Office of the Executive Mayor.

The main support activities include: Administration, Communications, Employment Equity, Gender & Special Programmes, Employee Relations, Risk Management, Human Resources, Security, Councillor Support and Committee Services.

3.23.1 Employees: Corporate Services

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.00
Other Managers	16	19	14	5	26.32
Professionals	6	8	8	0	0.00
Technicians & Trade Workers	0	0	0	0	0.00
Clerks & Administrative Workers	43	93	48	45	48.39
Community & Personal Workers	0	0	0	0	0.00
Service and Sales Workers	39	48	40	8	16.67
Plant & Machine Operators	6	12	6	6	50.00

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Elementary Occupations	16	39	18	21	53.85
Total	**127**	**220**	**135**	**85**	**38.64**

The Corporate Services Directorate includes the following sections:

- Administration
- Risk Management
- Committee Services
- Liaison Officer
- Labour Relations
- Human Resources
- Security
- Mayor's Office
- Service Delivery
- Gender & Special Projects
- Speaker's Office

3.23.2 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**9 961**	**7 382**	**7 382**	**2 706**	**-63%**
Expenditure					
Employees	51 964	47 223	47 338	47 355	0%
Repairs and Maintenance	841	1 056	964	805	-24%
Other	15 385	9 598	10 054	8 066	-16%
Total Operational Expenditure	**68 190**	**57 877**	**58 356**	**56 226**	**-3%**
Net Operational Expenditure	**58 229**	**50 495**	**50 974**	**53 520**	**6%**

3.23.3 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

3.23.4 Comment on the Performance Overall

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of Section 43 of the Municipal Systems Act, 2000 and an overall summary of performance on a functional level and municipal services.

3.24 HUMAN RESOURCE SERVICES

3.24.1 Introduction to Human Resource Services

The employment of dedicated and competent staff is fundamental for the Sol Plaatje Municipality in meeting its goals and objectives. The municipality's biggest, and most important asset, is its staff. The municipality is therefore committed to employ, train, utilise and retrain the best personnel available, and to make diligent efforts to develop and motivate all employees towards higher standards of performance. The municipality provides employees with opportunities to attain their full potential and to serve at the highest level of responsibility consistent with their own interests and abilities.

At a strategic level, Human Resource provide management with effective and efficient strategic advice and support with reference to new and amended legislation, interpretation of policies, organisational change and sound labour relation practices.

3.24.2 Human Resource Services Objectives Taken From IDP

Municipal Key Performance Area: Municipal Institutional Development and Transformation

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To provide a framework for Municipal Transformation and Institutional Development	To table the Human Resource Management Plan to Council by 30 June 2016	100%	90%	100%	80%	1
	Achieve 80% compliance with the EAP Plan of the municipality by ensuring representation of the ratio profile of the local authority on municipal level by 30 June 2016	100%	100%	80%	66%	80%
To provide an overarching framework for sustainable	Evaluate all identified personnel in terms of the performance management system	2	2	2	2	2

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
municipal performance improvement	Conduct bi-annual performance assessments of the Municipal Manager and Managers reporting directly to the Municipal Manager by 30 June 2016	2	0	2	2	2
	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each quarter for 2015/16	4	4	4	4	4
	Develop and sign performance agreements and performance development plans with all identified personnel before 31 August	50%	50%	100%	100%	100%

3.24.3 Risk Management Resource Services Objectives Taken From IDP

Municipal Key Performance Area: Municipal Institutional Development and Transformation

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To provide a framework for Municipal Transformation and Institutional Development	Review and submit the Strategic Risk Register to the Accounting Officer by 31 March 2016	1 assessment	1 assessment	1	1	1
	Submission of an Annual Report on risk management maturity level of SPM to NT by 30 June each year	1	1	1	1	1
	To report quarterly on the progress of risk mitigation to the Engagement Management Team (EMT)	N/A	N/A	4	4	4

3.24.4 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**1 088**	**5 183**	**5 183**	**751**	**-86%**
Expenditure					
Employees	2 549	15 171	15 171	12 222	-19%
Repairs and Maintenance	1	52	15	17	-67%
Other		3 100	3 137	2 628	-15%
Total Operational Expenditure	**2 550**	**18 323**	**18 323**	**14 867**	**-19%**
Net Operational Expenditure	**1 462**	**13 140**	**13 140**	**14 116**	**7%**

3.24.5 Comment on the Performance Overall

Performance management is a process which measures the implementation of the organisations strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficient, effectiveness and the impact of service delivery by the municipality. At local government level performance management is institutionalised through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets meet its strategic goals, set by the organisation and its employees are met.

The Constitution of South Africa (1996), Section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- The promotion of efficient, economic and effective use of resources
- Accountable public administration
- To be transparent by providing information
- To be responsive to the needs of the community
- To facilitate a culture of public service and accountability amongst staff

The Municipal Systems Act (MSA), 2000, requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to inform the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."

Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

Bearing this in mind, the need for local government service is forever increasing whilst the affordability for services is declining. However, the municipality has managed to achieve a targeted ratio of employee costs against total expenditure in the table below.

Operating Ratios		
Detail	2016	2015
Employee costs as a % of total expenditure	35.57%	30.65%

3.25 FINANCIAL SERVICES

3.25.1 Introduction to Financial Services

The Financial Services Directorate is headed by the Chief Financial Officer, with seven divisions in the directorate. The divisions are as follows:

- Revenue Management and Billing
- Expenditure Management and Payroll
- Supply Chain Management
- Assets Management
- Budget and Treasury
- Information Communication and Technology
- Debtors Management.

The financial services directorate is responsible for the implementation and compliance with Municipal Finance Management Act, the Municipal Property Rates Act, as amended, the Municipal Systems Act, Fiscal Powers Act, the Division of Revenue Act, to mention but a few.

During the 2015/2016 financial year, there were approximately 233 employees against staff establishment with 293 positions in the directorate, with cashiers and other services operating at eight service centres for the convenience of the public. The directorate is responsible for ensuring general compliance with supply chain management policy of the municipality, whilst the expenditure section identifies any irregular expenditure that may have been incurred as a result of non-compliance.

The directorate had finalised and tabled to council a general valuation roll that becomes affective from 1 July 2016, and shall remain valid for a four-year period ending 30 June 2019, with the exception of amendments to existing properties or new developments, whereby supplementary valuations are conducted throughout each financial year.

Supply chain management division provides secretariat function for all the bid committees as set-up by the Municipal Manager. The Municipal Manager also appointed an ICT Steering Committee, the Asset Disposal Committee and the Insurance Committee all chaired by the Chief Financial Officer or her delegate. These committees have terms of references and report to the Executive Management and to Council, through various committees that exercise oversight on these issues.

The municipality implements consolidated billing and our key billing objectives are as follows:

- Customer information management to ensure accuracy of information and billing
- Timely billing to ensure improved payment levels
- Efficient bill notification procedures, reaching the customer
- Proper and accurate billing for rates based on the category and land use
- Proper tariff for each property category
- Accessibility through properly resourced service centres
- And fast and friendly customer interface (Cashiers, Indigents, ad Debt Collection)

The table below represents revenue billed during the 2015/2016 financial year.

3.25.2 Debt Recovery

Details of the types of account raised and recovered	2014/2015		2015/2016				2016/2017	
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year	Budgeted Billed for the Year	Actual for accounts billed in year	Actual Receipts	Proportion of accounts value billed that were collected	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected
	R'000	%	R' 000			%	R'000	%
Property Rates	398 921	67%	443 808	484 397	314 507	65%	486 708	86.3%
Electricity – B	1 136	68%	1 158	1 136	635	56%	1 221	86.3%
Electricity – C	371 816	87%	459 097	438 041	342 884	78%	477 206	86.3%
Electricity – Prepaid	188 226	100%	191 339	206 627	206 627	100%	222 124	100%
Water – B	1 259	30%	1 341	1 259	400	32%	1 341	86.3%
Water – C	218 265	66%	233 992	232 012	151 858	65%	253 763	86.3%
Sanitation	67 956	51%	71 845	71 845	35 169	49%	75 450	86.3%
Refuse	47 364	58%	53 893	53 975	27 646	51%	56 783	86.3%
Other	94 727	69%	85 319	113 108	74 638	66%	89 585	86.3%

B- Basic; C= Consumption. See chapter 6 for the Auditor-General's rating of the quality of the financial Accounts and the systems behind them. For 2015/2016 financial year, the average collection rate is budgeted at 89.4%.

3.25.3 Financial Service Policy Objectives taken from IDP

Municipal KPA	KPI	Unit of Measurement	Source of Evidence	Annual Target	Revised Target	2015/2016		2016/2017
						Target	Actual	Target
Basic and Sustainable Service Delivery and Infrastructure Development	To appropriate at least 8% of the operational budget on repairs and maintenance by 30 June 2016	% spend on O & M	Financial and Audit reports	6%	6%	8%	7%	8%
Good Governance and Public Participation	Submit an Audit Action Plan to the Municipal Manager to address issues raised by the Auditor General by 31 January annually	Annual AGSA opinion	AGSA Annual Audit Action Plan	50%	50%	1 Report	1	1
Municipal Financial Viability and Management	To ensure that the budget allocation of employee related costs does not exceed 32% of the Operational Budget by 30 June 2016	Employee related cost as a % of Ops Budget	Financial and Audit reports	34%	32%	32%	37%	32%
	Improve revenue enhancement by ensuring a collection rate of 89,4% after debt write off by 30 June 2016	% collection rate	Financial and Audit reports	88.50%	89.40%	89,40%	83%	89.40%
	Maintain the cost coverage ratio of 2:1 annually	Cost coverage (Available cash + investments/	Financial and Audit reports	3:1	3:1	2:1	2:1	2:1

Municipal KPA	KPI	Unit of Measurement	Source of Evidence	Annual Target	Revised Target	2015/2016		2016/2017
						Target	Actual	Target
		monthly fixed operating expenditure)						
	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2016	Debt coverage (Total operating revenue-operating grants received)/debt service payments due within the year)	Financial and Audit reports	2:1	2:1	2:1	2:1	2:1
	Reduce net debtor days to 200 days by 30 June 2016	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	Financial and Audit reports	25%	200 days	200 days	178 days	200 days
	To spend at least 90% of the Capital Budget (including VAT) on capital projects identified i.t.o. the IDP by 30 June 2016	% capex of capital budget	Financial and Audit reports	90%	90%	90%	87%	90%
	To spend at least 95% of the Operational Budget annually (30 June)	% opex of operational budget	Financial and Audit reports	95%	95%	95%	96%	95%

3.25.4 Employees: Financial Services

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	1	1	1	0	0.00
Other Managers	16	16	15	1	6.25
Professionals	17	17	17	0	0.00
Technicians & Trade Workers	10	10	10	0	0.00
Clerks & Administrative Workers	139	141	141	0	0.00
Community and Personal Workers	23	26	23	3	11.54
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	0	0	0	0	0.00
Elementary Occupations	24	36	26	10	27.78
Total	**230**	**247**	**233**	**14**	**5.66**

3.25.5 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**411 060**	**439 006**	**458 456**	**496 684**	**8%**
Expenditure					
Employees	78 552	93 500	93 506	86 979	-7%
Repairs and Maintenance	860	1 763	2 503	1 826	-27%
Other	16 589	17 138	17 392	14 379	-17%
Total Operational Expenditure	**96 001**	**112 401**	**113 401**	**103 184**	**-9%**
Net Operational Expenditure	**(315 059)**	**(326 605)**	**(345 055)**	**(393 500)**	**14%**

3.25.6 Capital Expenditure: Finance

There was no capital expenditure during the period under review.

3.25.7 Capital Expenditure: Other

There was no capital expenditure during the period under review.

3.25.8 Comment on Performance Overall

The municipality remained strong for the entire financial year though it experienced difficulties on collection rate. The liquidity ratio remained strong at 4,71 times, due to increase in current assets and decrease in current liabilities against a norm of 2,00 times. On the other hand, the cost coverage ratio reduced as a result of increasing average monthly expenditure against a decline cash and cash equivalent balances, from 2,77 times in 2015 to 1,99 times in 2016.

The cost coverage ratio is quite an important measure of liquidity. Inadequate cash reserves pose a risk not only to the settlement of creditors invoices as they become due, but the ability of the municipality to pay its creditors for salaries becomes a concern. This subsequently affects the availability of uncommitted reserves for contribution to Capital Replacement Reserves for funding of capital budget.

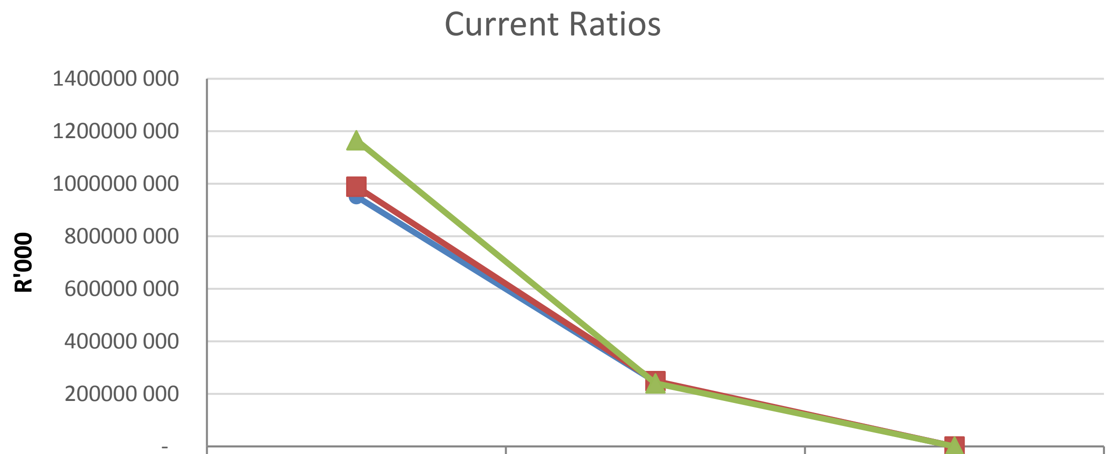
The growing trend of outstanding debtors is very concerning. Outstanding debtors were 32,67% of billed revenue in 2016, against a collection rate of 85% set as a key performance objective of the municipality. It must be stated here that the municipality is in the process of considering the co-sourcing of debt collection agency to reverse the situation.

Detail	30 June 2014	30 June 2015	30 June 2016
Cash and cash equivalents	305 199 110	275 457 274	259 275 698
Cash book overdraft	15 407 715	0	0

The current ratio reflects the relationship between the current assets and current liabilities of the municipality. This ratio has improved from 3.98:1 in the previous financial year to 4.84:1 in the current financial year. The ratio is well above the norm of 2:1.

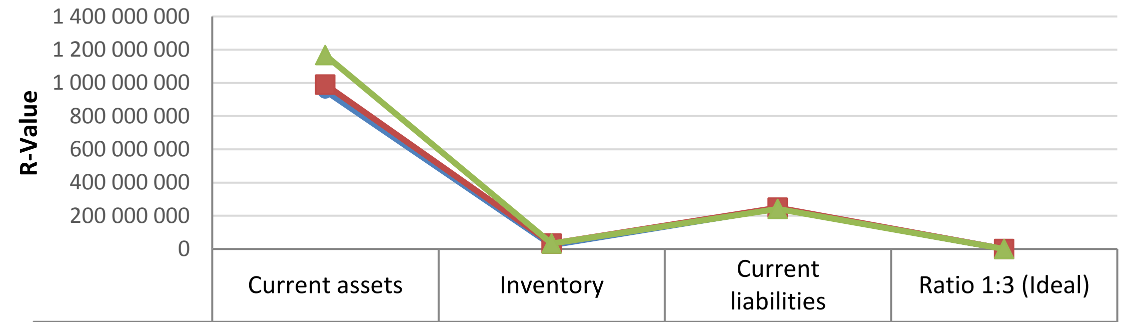
This is an indication that the municipality is liquid (assets exceed liabilities) and will be able to meet its short-term commitments.

Current Ratio	30 June 2014	30 June 2015	30 June 2016
Current assets	951 838 015	993 933 909	1 166 357 395
Current liabilities	245 852 259	248 389 232	240 760 755
Ratio 1:2 (Ideal)	3,87	3,98	4,84



	Current assets	Current liabilities	Ratio 1:2 (Ideal)
30-Jun-14	951838 015	245852 259	3.87
30-Jun-15	989353 602	248389 232	3.98
30-Jun-16	1166357 395	240760 755	4.84

Liquidity Ratio	30 June 2014	30 June 2015	30 June 2016
Current assets	951 838 015	993 933 909	1 166 357 395
Inventory	23 407 105	32 887 325	32 656 079
Current liabilities	245 852 259	248 389 232	240 760 755
Ratio 1:3 (Ideal)	3.78	3.85	4.71



	Current assets	Inventory	Current liabilities	Ratio 1:3 (Ideal)
30-Jun-14	951 838 015	23 407 105	245 852 259	3.78
30-Jun-15	989 353 602	32 887 325	248 389 232	3.85
30-Jun-16	1 166 357 395	32 656 079	240 760 755	4.71

3.26 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

3.26.1 Introduction

The ICT Unit provides a comprehensive range of services to the Municipality. Such services include but are not limited to the following:

- Network Services – Local and Wide area network services using wired and wireless technologies
- Email Services – sending and receiving of email, electronic diary and calendar functions and sharing of public folders.
- Logon Services – Providing desktop logon for enhanced PC security and traceable network use.
- Internet Services – Provisioning of safe internet access including managing of bandwidth and firewalls.
- File Services – Provisioning of common file storage to enable secure backups and sharing of files.
- Computer Services – Provisioning of desktop computers and thin clients for the delivery of municipal services.
- User Support Services – Help desk services to support users in their day-to-day computer tasks and operations
- Hosting Services – Provisioning of a secure and stable, redundant environment for the hosting of departmental and transversal software systems such as E-Venus, Payday and Intenda.
- Archiving, Backup and Business Continuity Services – Ensuring business continuity by providing a fire resistant, secure environment for hardware and network services.
- GIS Services – Provisioning of Geographic Information Systems
- Software Maintenance and Development Services – Development and enhancements to software systems such as GIS, Web and E-Venus

- Software Support Services – Providing a central port of call for support and interacting with suppliers and vendors of systems in the municipality, such as E-Venus, Payday, Prepaid Electricity System, etc.

- Installing and Accrediting Services – Evaluating and installing of upgrades and new systems on the technical infrastructure.

3.26.2 Service Statistics for ICT Services

Below are the service statistics for ICT Services for the 2014/2015 and 2015/2016 financial year:

Detail	2014/2015	2015/2016
Service Requests handled	2,649	
Average network uptime	99%	
Mission critical production server uptime	100%	

3.26.3 ICT Service Objectives taken from the SDBIP

Strategic Objectives	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Adjusted Target	Actual	Adjusted Target	Actual	Target
Ensure sound financial management and financial sustainability of SPM	Respond to all IT queries within 8 hours	90%	98.77%	90%	97.50%	90%
	Back-up of all systems and databases on a regular basis to ensure that municipal data is secured	100%	100%	100%	100%	100%
	Update ICT disaster recovery/ business continuity plan to reflect all major changes to the enterprise environment by 31 December	1 Plan	1 Plan	1 Plan	1 Plan	1 Plan
	Review and update the ICT strategy in conjunction with EMT by 31 May	100%	100%	100%	100%	100%
	Review and update the ICT Governance framework annually by end March	1	1	1	1	1
	Review and update all ICT policies annually by end March	5	5	5	5	5
	Review and update the ICT risk register annually by end March	1	1	1	`1	1
	Ensure an updated and user friendly web site by 30 June 2016	100%	82.50%	100%	100%	100%

3.26.4 Employees: ICT

Job Level	2014/2015	2015/2016			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	0	2	0	2	100.00
Professionals	4	4	4	0	0.00
Technicians & Trade Workers	4	8	4	4	50.00
Clerks & Administrative Workers	2	5	2	3	60.00
Community & Personal Workers	0	0	0	0	0.00
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	0	0	0	0	0.00
Elementary Occupations	0	0	0	0	0.00
Total	**10**	**20**	**11**	**9**	**45.00**

3.26.5 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				
Total Operational Revenue	**–**	**–**	**–**	**–**	**0%**
Expenditure					
Employees	4 696	5 737	5 737	6 006	5%
Repairs and Maintenance	216	241	867	410	-53%
Other	3 705	4 185	4 159	3 985	-4%
Total Operational Expenditure	**8 617**	**10 163**	**10 763**	**10 401**	**-3%**
Net Operational Expenditure	**8 617**	**10 163**	**10 763**	**10 401**	**-3%**

3.26.6 Capital Expenditure 2015/2016 - ICT

Capital	Budget	Adjustment budget	Actual Expenditure	Variance from original budget	Variance from adjustment budget	Total Project Value
	R'000			%		R'000
Total All	**4 500**	**4 500**	**3 767**	**-12%**	**-12%**	**15 000**
Replacement Programme: It Hardware	4 500	4 500	3 767	-12%	-12%	15 000

3.26.7 Comment on the Performance of ICT Services Overall

For the 2015/2016 financial year ICT department honoured its commitment to service excellence and continual improvement. The fact that the department was again awarded first prize in the Municipality's annual Performer of the Year competition, for the category 'Best Supporting Service', bears testimony to this fact.

In addition, the Municipality's Corporate GIS Unit (whom is also forms part of IT) scooped second prize in the same category.

The following IT/GIS initiatives were undertaken for period under review:

- Maintaining the IT estate by strategically replacing 100 aging workstations and upgrading backup storage by an additional 40 terabytes.
- Broadening its stakeholder base by providing free Wi-Fi services at the municipality's public libraries, and traffic and motor registration departments.
- Implementing a SharePoint Intranet and Records Management System.
- Effectively managing and monitoring all software agreements and vendor service levels
- In collaboration with Corporate GIS, producing a GIS Training DVD to assist teachers in the Northern Cape with the grade 12 Geography curricula
- Integration of billing with GIS to assist with revenue enhancement.
- Migrating the GIS Portal from Microsoft Silverlight to ArcGIS Portal and making it accessible to all users within the municipality.
- Capturing of all infrastructure assets (water, electricity, sewer) on the GIS for the purpose of effective asset management.
- Mentoring and providing financial support to GIS interns in so far as obtaining their GIS Technician certification (from the Geometric Council of South Africa)

3.27 SUPPLY CHAIN MANAGEMENT SERVICES

3.27.1 Priorities and Achievements

The main priority of supply chain management will always be to procure materials of the right quality, in the right quantity at the right time, at the right price, from the right source, with delivery at the right place. However, procurement is a managerial activity that goes beyond the simple act of buying and it includes the planning and policy activities covering a wide range of related and complementary activities.

We have targeted the monitoring management and reporting of procurement plans as a priority in the light of the above together with a clean audit report.

Other priorities include:

- The implementation of MFMA Circular 77. The establishment of a suitable supply chain management system for infrastructure delivery and contract management.
- The implementation of an e-procurement system.

Proper monitoring and management of our consolidated procurement plan has already proven satisfactory results and has eliminated numerous disruptions.

3.27.2 Measures to Improve Performance and Achievements

The most fundamental reason for evaluating any department is a desire to improve its performance. As a basis for suggesting improvements it is necessary to ascertain the current level of performance.

Measures and evaluation criteria used:

- Supply Chain Risk Assessment of the Acting Performance and Risk Manager
- Audit reports and findings
- Performance Management system “Ignite”
- Contract and procurement plan (Demand) monitoring registers
- Inventory performance (Turnover)

Achievements recorded:

- It was recorded, based on the risk assessments, that there were no risks which were not sufficiently managed through control processes which have been implemented.

- Audit findings were resolved.
- The performance management system shows that all targets were met.
- Satisfactory results were achieved regarding the outcomes of the bidding processes turnover times and submission of specifications.
- Inventory control was of a very high standard and all targets were met.

3.27.3 Supply Chain Management Service Objectives taken from IDP

Strategic Objective	Key Performance Indicator	2014/2015		2015/2016		2016/2017
		Revised Target	Actual	Revised Target	Actual	Target
To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award by 30 June 2016	12 wks	12 wks	12 wks	12 wks	12 wks
	To improve the SCM turnaround time to six weeks for once off contracts from closing date to date of award by 30 June 2016	6 wks	6 wks	6 wks	6 wks	6 wks
To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	Ensure that at least 60% of the Municipality's own procurement for goods and services are sourced from local black SMME's (category D2 suppliers)	60%	67%	60%	67%	60%
To ensure an improved audit opinion in line with the LGTAS	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals are not more than 5% of tenders/quotes submitted by 30 June 2016	5%	0%	5%	0%	5%

3.27.4 Employees: Supply Chain Management

Job Level	2015/2016	2016/2017			
	Employees	Posts	Employees	Vacancies (full-time equivalents)	Vacancies (as a % of total posts)
	No.				%
Municipal Manager and Senior Managers	0	1	1	0	0.00
Other Managers	5	5	5	0	0.00
Professionals	0	0	0	0	0.00
Technicians & Trade Workers	0	0	0	0	0.00
Clerks & Administrative Workers	30	32	30	2	6.25
Community & Personal Workers	0	0	0	0	0.00
Service and Sales Workers	0	0	0	0	0.00
Plant & Machine Operators	0	0	0	0	0.00
Elementary Occupations	1	1	1	0	0.00
Total	**36**	**39**	**37**	**2**	**5.13**

3.27.5 Financial Performance 2015/2016

Details	2014/2015	2015/2016			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Adjustment Budget
	R'000				
Total Operational Revenue	**473**	**550**	**–**	**42**	**0**
Expenditure					
Employees	11 264	13 143	13 149	11 726	-11%
Repairs and Maintenance	68	98	93	59	-37%
Other	710	620	619	397	-36%
Total Operational Expenditure	**12 042**	**13 861**	**13 861**	**12 181**	**-12%**
Net Operational Expenditure	**11 569**	**13 311**	**13 861**	**12 140**	**-12%**

3.27.6 Capital Expenditure 2015/2016

There was no capital expenditure during the period under review.

3.27.7 Comment on Performance Overall

The supply chain management unit has set high standards of performance and has earned a solid reputation as a unit meeting key performance indicators. However, the involvement and commitment of staff at various levels in the rest of the Municipality is also very important in this regard and currently the involvement and commitment is positive and is to the benefit of the whole organisation.

The following indicators represents some of the performance outcomes:

- Annual stock-take, nett shortfalls, target is not more than 4%, actual achieved is 0.10%
- Audit findings resolved and action plans implemented
- All reports submitted before deadline
- Improved turnover time of bidding process
- No successful appeals by bidders for awarding of contracts.

3.28 ANNUAL PERFORMANCE REPORT

INTRODUCTION

The Annual Performance Report is hereby submitted to the Municipal Council in terms of the Municipal Systems Act (MSA), 32 of 2000, section 46(1) and (2), as well as the MFMA Circular 11 on annual reporting. This report covers the performance information from 01 July 2015 to 30 June 2016 and focuses on the implementation of the Service Delivery Budget and Implementation Plan (SDBIP), in relation to the objectives as encapsulated in the Municipality's Integrated Development and Plan (IDP).

This Report reflects actual performance of the Municipality as measured against the performance indicators and targets in its Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plan (SDBIP) for 2015/2016.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area. Each Key Municipal KPA have number of Municipal Key Focus Areas (KFA's) which was deliberately designed by the Municipality to focus its development initiatives in a more coherent and organised manner.

This report will also endeavour to report to Council the Municipality's performance in terms of the five National Government's Strategic Key Performance Areas for local government, which are

- Basic Service Delivery
- Local Economic Development
- Municipal Institutional Transformation and Development
- Municipal Financial Viability and Management and
- Good Governance and Public Participation.

LEGISLATIVE REQUIREMENTS

This Annual Performance Report has been compiled in compliance with the requirements of section 46 (1) of the Local Government: Municipal Systems Act, 2000; which stipulates as follows:

> *(1) A municipality must prepare for each financial year a performance report reflecting*
>
> > *a) the performance of the Municipality and each external service provider during that financial year;*

b) *a comparison of the performance referred to in paragraph (a) with targets set for performance in the previous financial year; and*

c) *measures taken to improve performance.*

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that

> *A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players."*

Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organisation as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

MUNICIPAL OVERVIEW

The Sol Plaatje Local Municipality is Category B in terms of the Municipal Structures Act as amended, and falls within Frances Baard District Municipal Boundaries.

The municipality has adopted an Executive Mayor Structure with the Mayoral Committee serving as advisory to the Executive Committee. The Members of the Mayoral Committee serve as Chairperson of Committees established in terms of Municipal Structures Act Section 80.

FINANCIAL REPORTING RESPONSIBILITIES

The municipality is non-delegated and is classified as secondary city by National Treasury. As such budget monitoring and compliance is done by National Treasury. On an annual basis, National Treasury conducts mid-term visit to the municipality and after tabling of the annual budget, a budget benchmark exercise meeting takes place.

National Treasury, from these two major engagements, issues report regarding the following:

- Current year budget performance
- Remarks on the municipality's spatial development framework
- Prior year's budget performance and the audit outcomes
- Risk management.

The municipality also submits its monthly, quarterly and mid-term budget statements to National Treasury for review. National Treasury in turn, consolidates the reports of all secondary cities and metros and benchmark monthly performance against each other, give an overview performance of municipalities in the country.

IDP REVIEW REPORT

Vision

The existing strategic development agenda of SPM is aimed at giving effect to the vision of the Municipality, namely:

> *Sol Plaatje, a dynamic and caring municipality that provides a comprehensive range of affordable services to all its residents.*

This vision is in line with the Back to Basics programme (B2B) which states that the people should be put first and that municipalities should concentrate their efforts in providing basic services such as water and sanitation, human settlements, electricity, waste management, roads and public transportation in order to create decent living conditions.

In order to achieve this vision, it will be important for SPM to ensure growth in the local economy in order to be sustainable. The SPM also needs to improve on the efficiency of its service delivery, the sustainability of its finances and the effectiveness of its administration. This translates into two high level strategic objectives that also encompass all national government priorities, namely:

> **A better standard of living for all** - which requires a growing economy depending on a municipal strategy driving urban efficiencies; and

> **A better quality of life for all** - which requires a caring municipality concerned at providing universal access to basic municipal services at affordable levels while becoming a place where business would want to locate.

STRATEGIC PRIORITIES

The IDP Review documents suggested that the strategy for development of the Sol Plaatje Municipality must be to focus on spatial development and zoom in the lens of geographical space-economy.

The space-economy means the geographic distribution of settlements (large and small), the activities within them (residential, commercial, institutional, recreational, etc.) and the relationship of these settlements and activities to the infrastructure that connects and supports them and links in turn to surrounding agriculture and nature areas

People live their lives in geographic space; how activities and infrastructure are organised in space fundamentally impacts on people's access to economic and social opportunities. For example, locating housing for the poor far away from work opportunities, impacts on disposable income, work productivity and transport infrastructure provision. People have to pay a disproportionately high percentage of their incomes to move to and from work, journeys take a long time, and infrastructure and vehicles have to be provided and maintained to transport them. Also, locating business opportunities far from infrastructure increases the cost of products and diminishes the chances of success for large and small businesses.

An informal trader or small café owner cannot hope to succeed without basic necessities such as water or a reasonable flow of passers-by.

The apartheid spatial legacy is the foundation for much of the inequity in society. A primary strategy of Apartheid was to manipulate the space-economy of towns, to provide good opportunities for whites and the rich and to deny opportunities for blacks and the poor. The best land and most viable locations, the best infrastructure and networks, have traditionally been offered to the minority of citizens. Only through restructuring the space-economy of our settlements can we hope to overcome our divided legacy.

Secondly, municipal strategy has over the last decade taken a strong sectoral approach. The approach looks at development in sectors such as Local Economic Development Plans, plans for creative industries, small enterprises, tourism, and so on. Unfortunately, much of this work is silent on the impact of space on specific sectors and has assisted to hide spatial inequity in our settlements. For example, very few, if any, Local Economic Development Plans will look at the relationship between transport infrastructure, economic opportunity and job creation. (See logic of sector plans discussed below).

Thirdly, municipal government has considerable influence over the space-economy of settlements. By virtue of its mandate, local government can determine the nature and location of key infrastructure and where settlement is to occur and where not. Local government cannot grow the economy, but it impacts on economic success through the provision and maintenance of infrastructure and how activities are organised in space.

The IDP Objectives remained relevant for the assessment of the performance of the municipality, however, it was also found that there is a need for some emphasis shifts due, mainly to the following issues:

- The greater emphasis placed on the alignment of all government spheres to the National Development Plan – Vision 2030.
- Long term and sustainable local economic growth and job creation
- The Back to Basics (B2B) Programme

- The access of households to municipal services according to the latest National Urban Support Programme data on informal areas – which indicate huge backlogs in terms of basic household services. This is discussed in more detail later in the report.

MUNICIPAL PERFORMANCE OBJECTIVES

The municipality has adopted the key performance areas for local government as per the Performance Management Regulations requires. Various strategic objectives had been agreed upon and are summarised in the table below.

It should be stated here that the key performance areas are cutting across various directorates of the municipality with specific focus on the functional areas and responsibilities of each directorate. On the other side, the budget allocation is per vote represented by the directorates and again by expenditure type.

Directorates are expected to work with each other in ensuring successful achievements of the set targets within the available budget and other resources. Service delivery performance and sound financial management remain the key areas, whilst institutional support and good governance support performance and compliance.

National KPA		IDP Objective	
1	Local Economic Development	1	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks.
		2	To initiate, lead and sustain an investment environment for job creation in the SPM Area.
		3	To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth.
2	Basic and Sustainable Service delivery and Infrastructure Development	1	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth.
		2	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets.
		3	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management, housing and roads and storm water services to all residents of SPM.
		4	To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM.
3	Municipal Financial Viability and Management	1	Ensure sound financial management and financial sustainability of SPM.

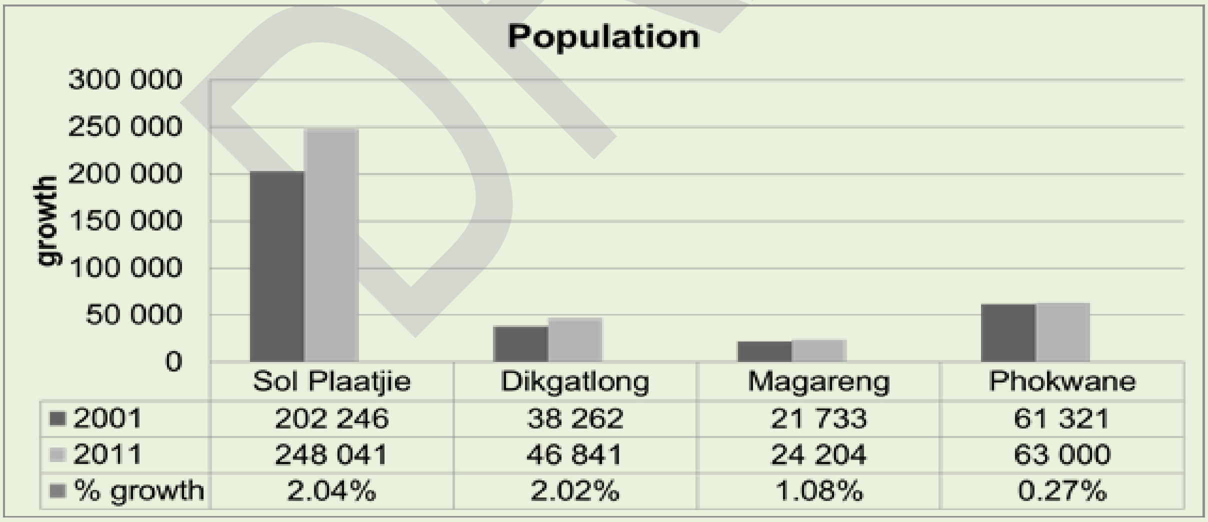
National KPA		IDP Objective	
4	Municipal Institutional Development and Transformation	1	To provide an overarching framework for sustainable Municipal Performance Improvement.
		2	To provide a framework for Municipal Transformation and Institutional Development.
5	Good Governance and Public Participation	1	To ensure an improved audit opinion.
		2	To enhance the Public Profile, Reputation and Positioning of SPM.

SOCIO ECONOMIC STATUS

The IDP Review for 2015/2016 captures the socio-economic status as elaborated on below. Information has been extracted from various reports including the Census 2011 Report and IHS Global's analysis prepared for SPM in 2013. At the end of this section some conclusions and contextual issues are mentioned related to this information.

Person Statistics

The chart below shows the population growth from 2001 to 2011 in the Sol Plaatjie and surrounding municipal areas.



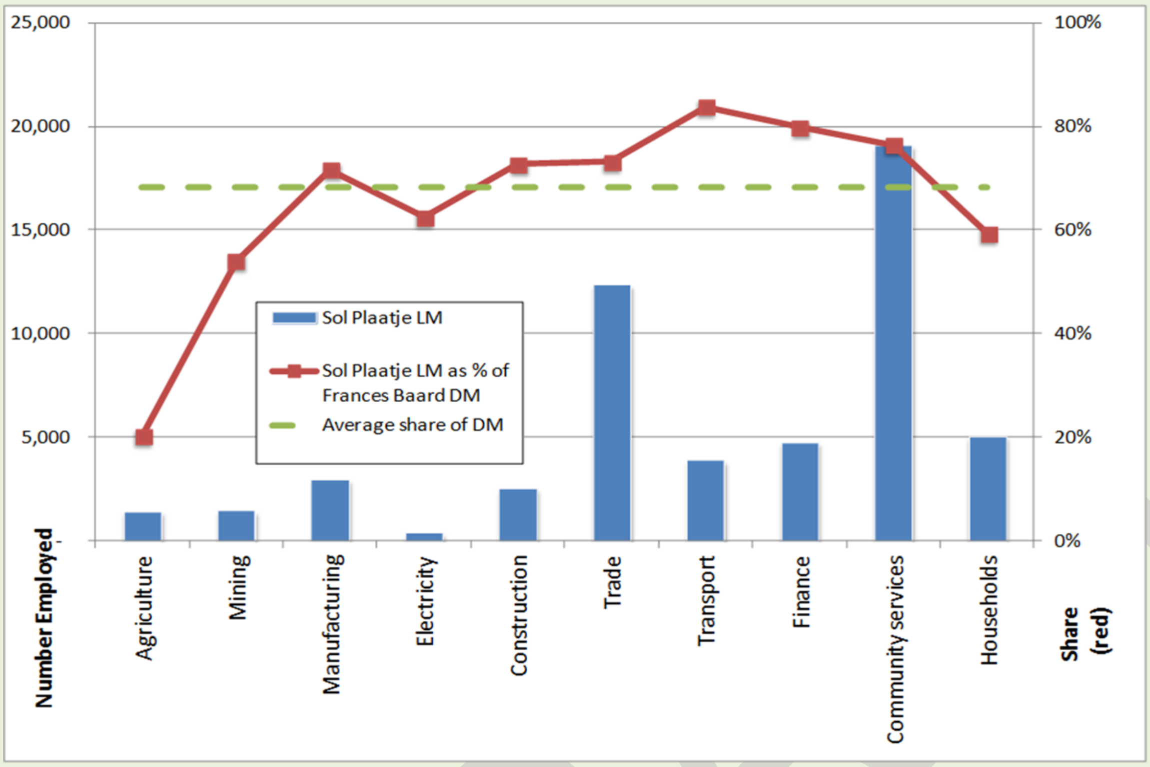
Labour market and Educational statistics

The following table is a comparison of the labour market and educational statistics between 2001 and 2011, while Chart 2 illustrates the employment per sector in the Sol Plaatje municipal area in 2010.

Labour Market and Education Statistics 2011 compared to 2001

Labour Market				Education (aged 20+)					
Unemployment Rate (Official)		Youth Unemployment Rate (official) 15-24 years		No Schooling		Matric		Higher Education	
2001	2011	2001	2011	2001	2011	2001	2011	2001	2011
41.3%	**31.9%**	51.5%	**41.7%**	11.3%	**7.1%**	21.9%	**29.2%**	8.7%	**10.4%**

Chart 2: Employment per Sector

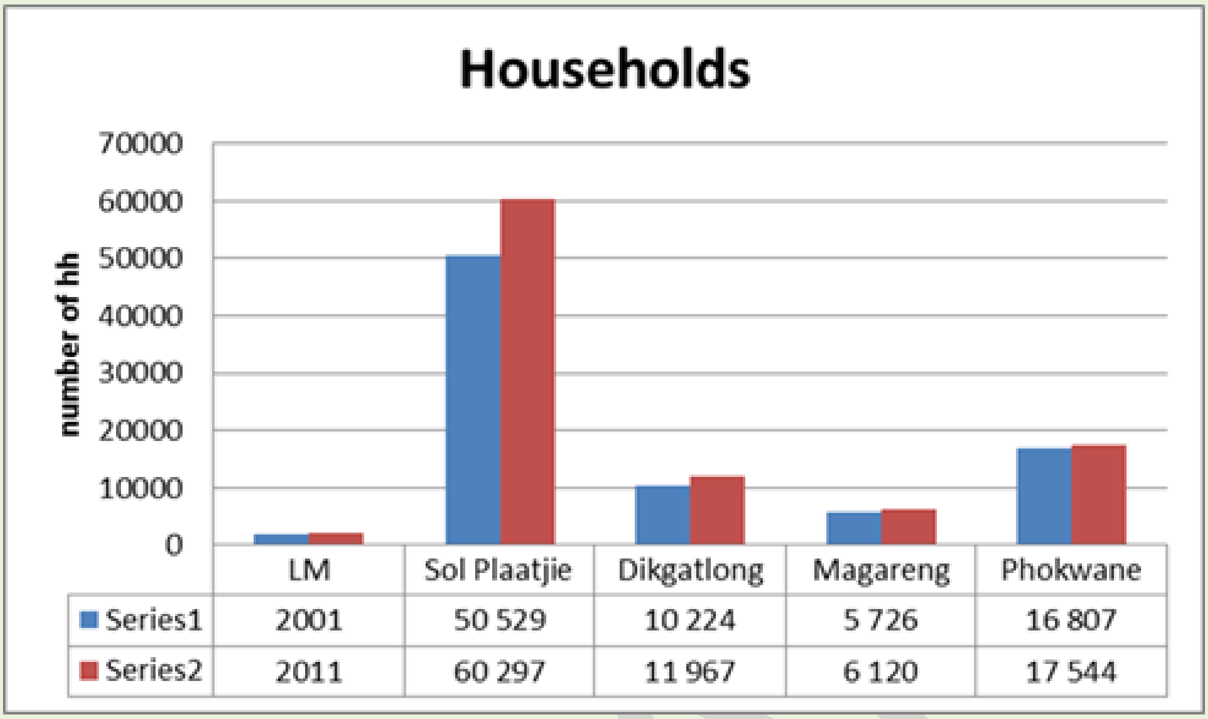


Household Statistics

The chart below shows a comparison between the number of households in Sol Plaatje and surrounding municipal areas, 2001 vs. 2011.

During the 2011 Census 7,846 households lived in informal settlements. This number increased to 13,361 by the end of 2013 according to a survey done as part of the National Urban Support Programme (NUSP), as seen in table 3 below. Table 4 indicates the number of households receiving full services. Figure 1 compares the level of service provision in the Sol Plaatje municipal area to that of the Northern Cape provision and South Africa as a whole.

Number of Households



Economic Statistics

As seen in chart 6 below, the tertiary sector employs relatively little unskilled labour compared to the primary and secondary sectors. Therefore, growth in the tertiary sector does not normally have a significant impact on unemployment as the majority of unemployed people are not highly skilled.

From the above chart, it can be seen that when compared to the national economy of South Africa, Sol Plaatje Local municipality has a comparative advantage on community services and almost the same advantage on the transport industry. A slight advantage is also noted on financial services. However, when it comes to specifically manufacturing, Sol Plaatje has a significant comparative disadvantage relative to the country as a whole. In terms of trade the quotient of Sol Plaatje is relatively similar to that of South Africa. Generally speaking, Sol Plaatje has a very narrow economy.

Sol Plaatje Municipality's economic growth forecast in 2010 for 2016 – 4,4%

Forecasts and Actual Growth (MPC – Sep 2015)

- 2013 - 1,9% (Actual)
- 2014 – Forecast 2,8% (Actual 1,5%)
- 2015 – Forecast 3,3% (Adjusted 2,8%) – Actual at present 1,5%
- 2016 - Forecast 3% – (Adjusted 1,6%)
- 2017 – Forecast 2,1%

Some of the reasons that the MPC gives for the slow-down in economic growth

- Global economic slowdown, especially China
- Goods-producing sectors of the South African economy declined
- Contractions in agriculture, mining and manufacturing
- Growth in the services sectors also moderated
- Sharp decline in the RMB/BER Business Confidence Index to its lowest level since 2011
- Little private sector investment – the only private sector investment increases were into energy-generation projects

Consumers are expected to remain constrained against the backdrop of:

- Slow employment growth
- Declining disposable income growth
- Rising inflation
- Tighter affordability criteria for household credit following the implementation of amendments to the National Credit Regulations
- Growth in consumption expenditure by households is only 1,2%.

PERFORMANCE OVERVIEW

In order to improve on performance planning, implementation, reporting and measurement, the institution implemented the following actions:

- There has been a reduction in the number of KPIs that the Municipality is reporting on. The reduction on the number of KPIs afforded the institution the opportunity to focus on strategic issues which were well-defined, outcome based and not operational in nature. Departmental operational plans were developed for monitoring and reporting operational programmes

- There is a column in the SDBIP for each KPI to ensure that the portfolio of evidence was populated correctly

- During 2012/2013 SPM approved a new Macro Structure and the Strategic Planning Unit which resided under the Executive Director: Strategic Services was moved to the Office of the Municipal Manager. The Unit is now called the IDP/PMS Unit and is tasked to co-ordinate the IDP and organisational performance management related processes. The unit works closely with Executive Managers in each Department as the latter are departmental performance co-ordinators

  - 2013 - 1,9% (Actual)
  - 2014 – Forecast 2,8% (Actual 1,5%)
  - 2015 – Forecast 3,3% (Adjusted 2,8%) – Actual at present 1,5%
  - 2016 - Forecast 3% – (Adjusted 1,6%)
  - 2017 – Forecast 2,1%

The Municipality endeavoured during the development of the Top Layer as well as with the development of the Departmental SDBIP that the SMART principle was adhered to in the setting of indicators and objectives. Emphasis was placed on ensuring that targets were specific and time bound, thus making it measurable.

The IDP was developed for 2012 through 2017 and was reviewed during 2014/2015. The Top Layer SDBIP in the IDP was also revised during February 2016.

SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the Service Delivery Budget Implementation Plan (SDBIP) at departmental levels.

The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and Budget.

The MFMA Circular No. 13 prescribes that:

- The IDP and budget must be aligned

- The budget must address the strategic priorities
- The SDBIP should indicate what the municipality is going to do during next twelve months; and
- The SDBIP should form the basis for measuring the performance against goals set during the budget/IDP processes.

The SDBIP was prepared as described in the paragraphs below and approved by the Executive Mayor. The overall assessment of actual performance against targets set for the Key Performance Indicators as documented in the SDBIP is illustrated in terms of the following assessment methodology:

KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
KPI Not Met	Actual vs. target less than 75%
KPI Almost Met	Actual vs. target between 75% and 100%
KPI Met	Actual vs. target 100% achieved
KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
KPI Extremely Well Met	Actual vs. target more than 150% achieved

The municipal scorecard (Top Layer SDBIP) consolidates service delivery targets set by Council/Senior Management and provides an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities. Components of the Top Layer SDBIP include:

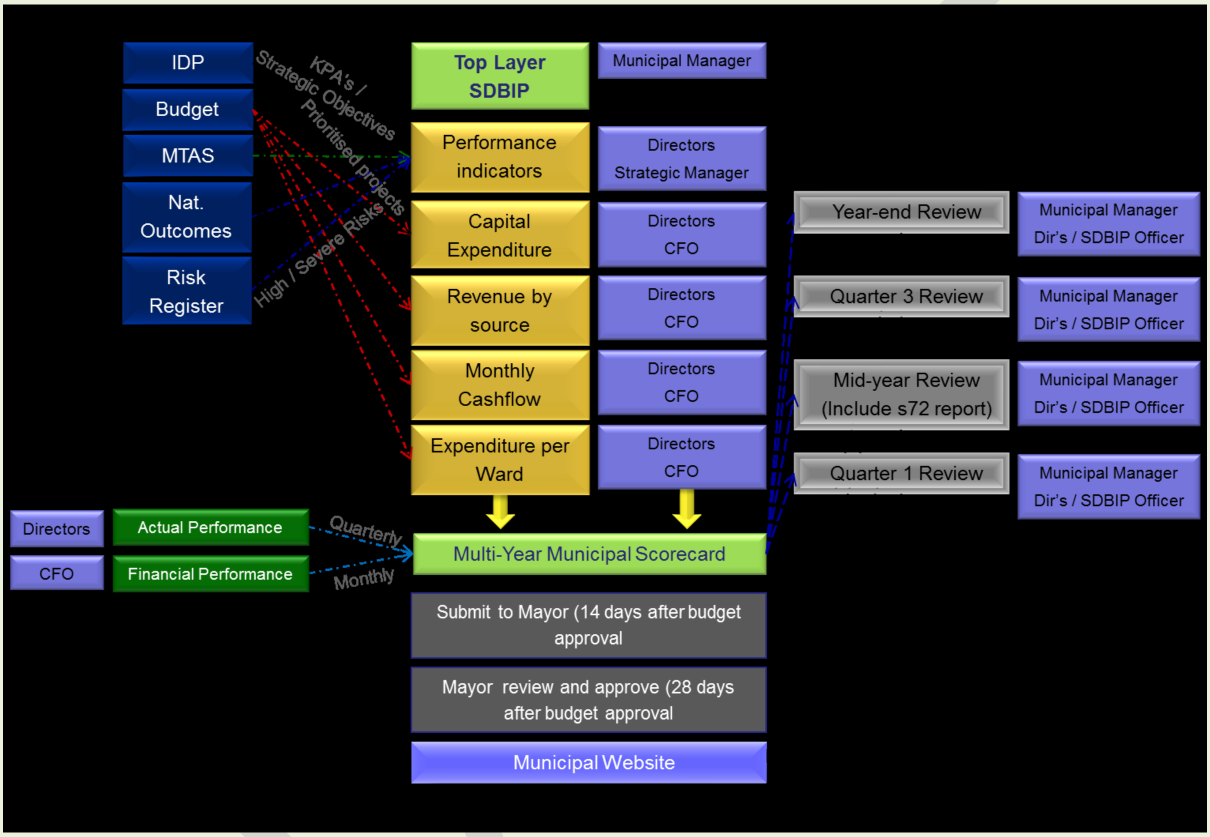
One-year detailed plan, but should include a **three-year capital plan**

The necessary components include:

- Monthly projections of revenue to be collected for each source
- Expected revenue to be collected NOT billed
- Monthly projections of expenditure (operating and capital) and revenue for each vote
- Quarterly projections of service delivery targets and performance indicators for each vote

- Non-financial measurable performance objectives in the form of targets and indicators; and
- Detailed capital project plan broken down by ward over three years.

The following diagram illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):



The Departmental Scorecards (detailed SDBIP) capture the performance of each Department. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the Departmental SDBIP provides a comprehensive picture of the performance of that Department/sub-department/branch. It was compiled by **Senior Managers** for their **Departments** and consists of objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area.

OVERALL PERFORMANCE PLANNED VS ACTUAL

The performance of the municipality is reflected in the graphs summaries below. The performance per directorate as well as per key performance area is provided. This performance is further disaggregated into the performance per directorate as well as the performance per key performance indicator. Refer to the tables below for detail.

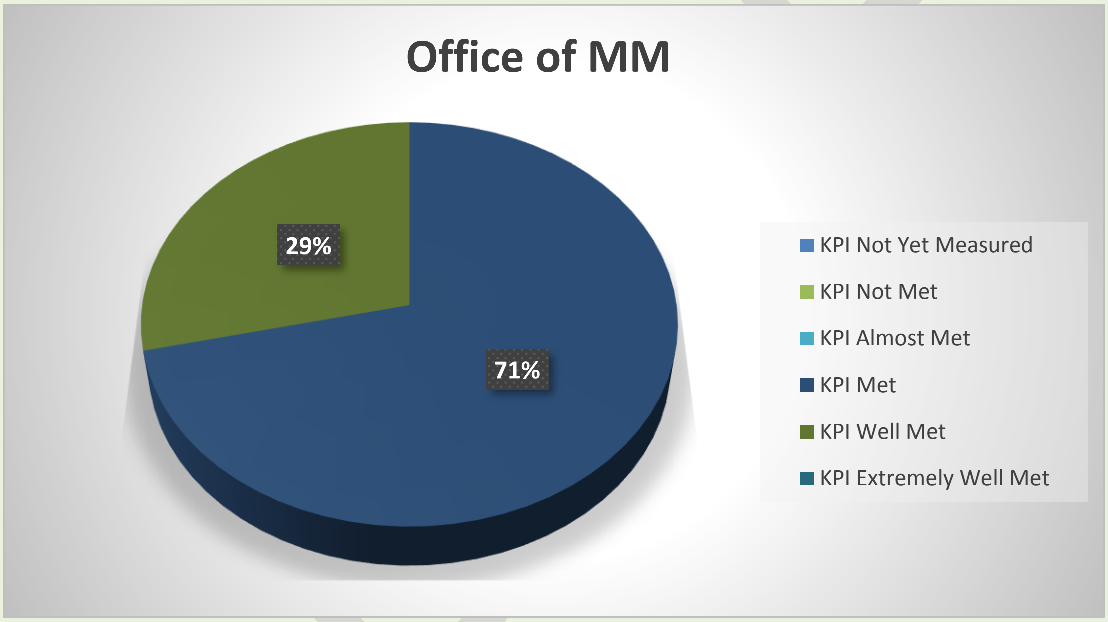
OFFICE OF THE MUNICIPAL MANAGER

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL1	To provide an overarching framework for sustainable municipal performance improvement	Municipal Institutional Development and Transformation	Approve the Reviewed Integrated Performance Management Policy by 31 May 2016	Reviewed policy. Minutes of council meeting where approved	Current	N/A - target achieved	1	1	G
TL2	To provide an overarching framework for sustainable municipal performance improvement	Municipal Institutional Development and Transformation	Approve the final IDP review 2015/2016 for adoption by Council by 31 May 2016	IDP adopted by Council	1	N/A - target achieved	1	1	G
TL3	To provide an overarching framework for sustainable municipal performance improvement	Municipal Institutional Development and Transformation	Submit the Final SDBIP to the Executive Mayor by 30 June 2016	Approved SDBIP by Executive Mayor	1	N/A - target achieved	1	1	G

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL4	To provide an overarching framework for sustainable municipal performance improvement	Municipal Institutional Development and Transformation	Conduct bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager by 30 June 2016	Number of assessments conducted	2	N/A - target achieved	2	2	G
TL5	To provide an overarching framework for sustainable municipal performance improvement	Municipal Institutional Development and Transformation	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter for 2015/16	No of Reports submitted	4	N/A - target achieved	4	4	G
TL6	To continuously assess internal control environment by conducting internal audits across various functions of the municipality	Good Governance and Public Participation	Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue at least 10 internal audit reports to the audit committee during the year	Number of internal audit reports compiled	New	N/A - target achieved	10	14	G2
TL52	To initiate, lead and sustain an investment environment for job creation in the SPM Area	Local Economic Development	Create 300 FTE jobs through EPWP initiatives of the SPM by 30 June 2016	No of FTE jobs created	FTE	N/A - target achieved	300	349	G2

PERFORMANCE RESULTS

Summary of Results		
	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	0
	KPI Met	5
	KPI Well Met	2
	KPI Extremely Well Met	0
	Total KPIs	**7**



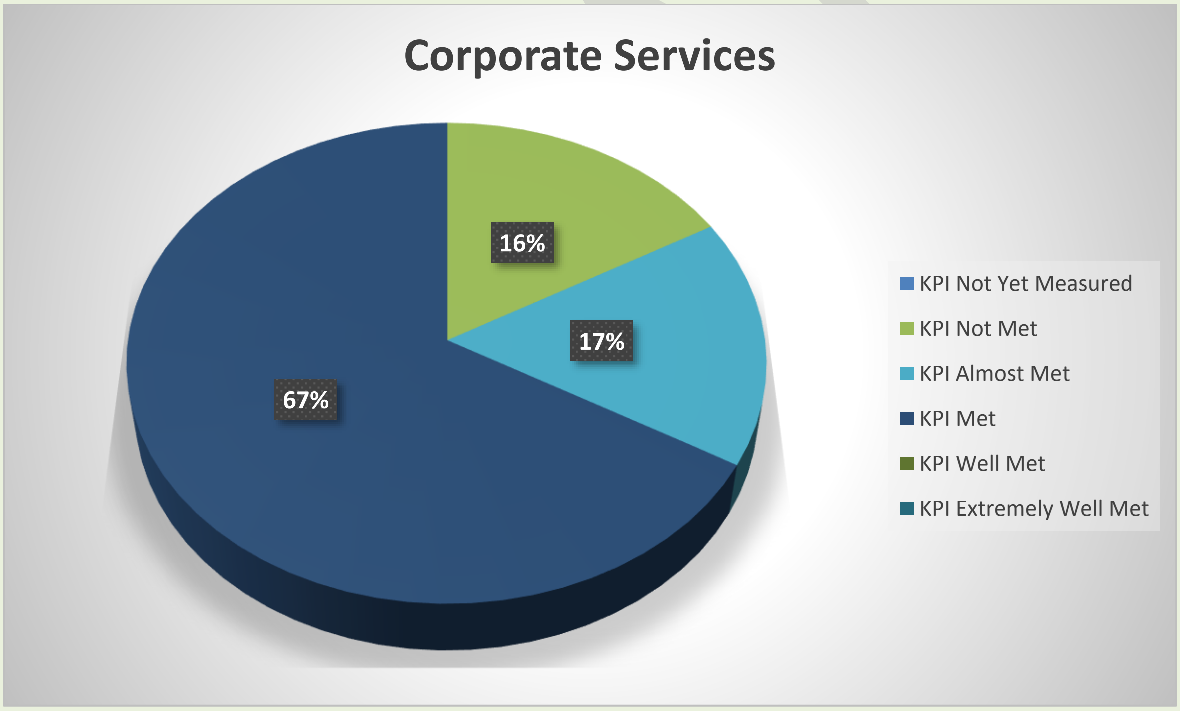
CORPORATE SERVICES

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL37	To enhance the public profile, reputation and positioning of SPM	Good Governance and Public Participation	To effectively communicate to the public by issuing monthly newsletters and press releases when required.	Number of newsletters and press releases issued	New	N/A	12	12	G
TL38	To provide a framework for Municipal Transformation and Institutional Development	Municipal Institutional Development and Transformation	Achieve 80% compliance with the EAP Plan of the municipality by ensuring representation of the ratio profile of the local authority on municipal level by 30 June 2016	% compliance	87%	Efforts to obtain full compliance will be increased in the coming financial year.	80%	66%	O
TL39	To provide a framework for Municipal Transformation and Institutional Development	Municipal Institutional Development and Transformation	To table the Human Resource Management Plan to Council by 30 June 2016	The tabled HRM Plan	60%	This plan has not been tabled as yet, but is planned to be tabled in the first quarter of	100%	80%	R

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
						the new financial year.			
TL40	To provide a framework for Municipal Transformation and Institutional Development	Municipal Institutional Development and Transformation	Review and submit the Strategic Risk Register to the Accounting Officer by 31 March 2016	Approved Strategic risk register	New	N/A	1	1	G
TL41	To ensure an improved audit opinion in line with the LGTAS	Good Governance and Public Participation	To report quarterly on the progress of risk mitigation to the Engagement Management Team (EMT)	Number of reports submitted	New	N/A	4	4	G
TL42	To provide a framework for Municipal Transformation and Institutional Development	Municipal Institutional Development and Transformation	Submission of an Annual Report on risk management maturity level of SPM to NT by 30 June each year	Maturity Report submitted	New	N/A	1	1	G

PERFORMANCE RESULTS

Summary of Results		
	KPI Not Yet Measured	0
	KPI Not Met	1
	KPI Almost Met	1
	KPI Met	4
	KPI Well Met	0
	KPI Extremely Well Met	0
	Total KPIs	**6**



FINANCIAL SERVICES

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL26	Ensure sound financial management and financial sustainability of SPM	Municipal Financial Viability and Management	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2016	Debt coverage (Total operating revenue-operating grants received)/debt service payments due within the year)	1.83:1	N/A - Target achieved	2	2	G
TL27	Ensure sound financial management and financial sustainability of SPM	Municipal Financial Viability and Management	Reduce net debtor days to 200 days by 30 June 2016	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	New	N/A - Target achieved	200	178	B
TL28	Ensure sound financial management and financial sustainability of SPM	Municipal Financial Viability and Management	Maintain the cost coverage ratio of 2:1 annually	Cost coverage (Available cash + investments/ monthly fixed operating expenditure)	2.2:1	N/A - Target achieved	2	2	G

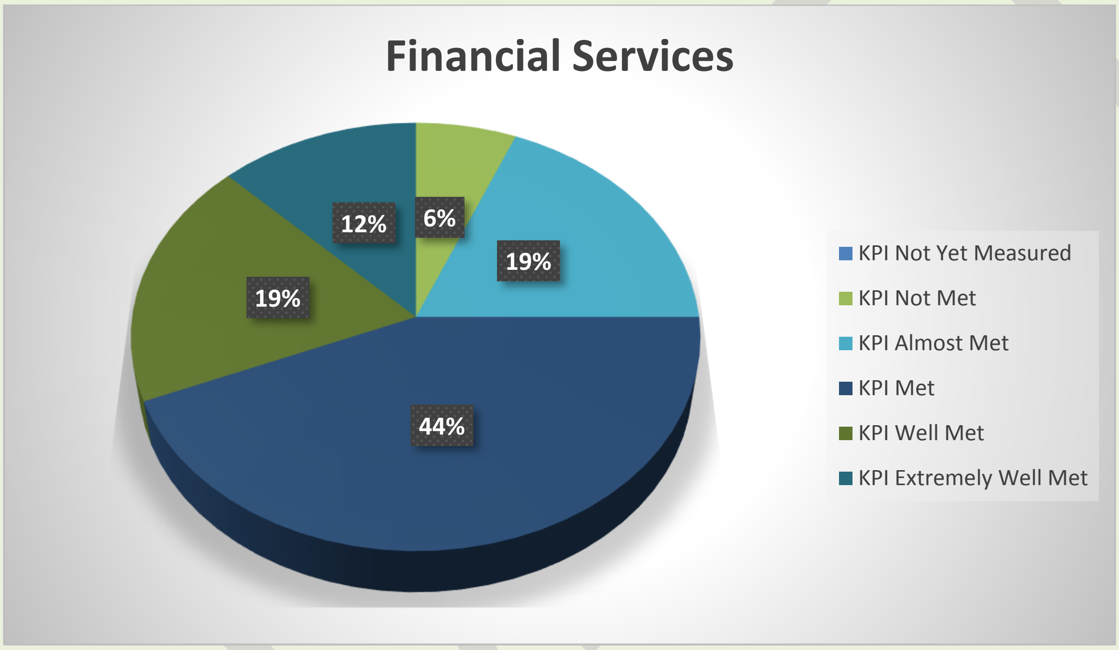
Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL30	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	To appropriate at least 8% of the operational budget on repairs and maintenance by 30 June 2016	% spend on O&M	5%	Though the municipality has significantly increased its allocation towards maintenance budget, the situation is exacerbated by under-spending on maintenance budget allocated to various votes. To improve on maintenance, maintenance plans linked to timelines are recommended to ensure that maintenance is not deferred as this leads to higher costs of maintenance in the future and may lead to infrastructure failures	8%	7%	O

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL31	Ensure sound financial management and financial sustainability of SPM	Municipal Financial Viability and Management	To ensure that the budget allocation of employee related costs does not exceed 32% of the Operational Budget by 30 June 2016	Employee related cost as a % of Ops Budget	32%	The main contributor to the increase in employee cost is the actuarial loss realised for the financial year under review. The other contributing factor is the back pay as a result of TASK implementation. It is envisaged that both these factors would not recur to this extent in the coming financial year.	32%	37%	R
TL32	To ensure an improved audit opinion in line with the LGTAS	Good Governance and Public Participation	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders awarded by 30 June 2016	% successful appeals	0	N/A - Target achieved	5%	0%	B

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL33	To ensure an improved audit opinion in line with the LGTAS	Good Governance and Public Participation	Submit an Audit Action Plan to the Municipal Manager to address issues raised by the Auditor General by 31 January annually	Annual AGSA opinion	Qualified	N/A - Target achieved	1	1	G
TL34	To ensure that the municipality provides basic services to the community in a cost-effective manner	Good Governance and Public Participation	Adoption of the back to basics to inform the service delivery strategy of the municipality by 30 June 2016.	Back to Basics strategy adopted	New	N/A - Target achieved	1	1	G
TL36	To enhance the public profile, reputation and positioning of the SPM	Good Governance and Public Participation	Ensure an updated and user friendly web site by 30 June 2016	% compliant to relevant legislation	New	N/A - Target achieved	100%	100%	G

PERFORMANCE RESULTS

Summary of Results		
	KPI Not Yet Measured	0
	KPI Not Met	1
	KPI Almost Met	3
	KPI Met	7
	KPI Well Met	3
	KPI Extremely Well Met	2
	Total KPIs	**16**



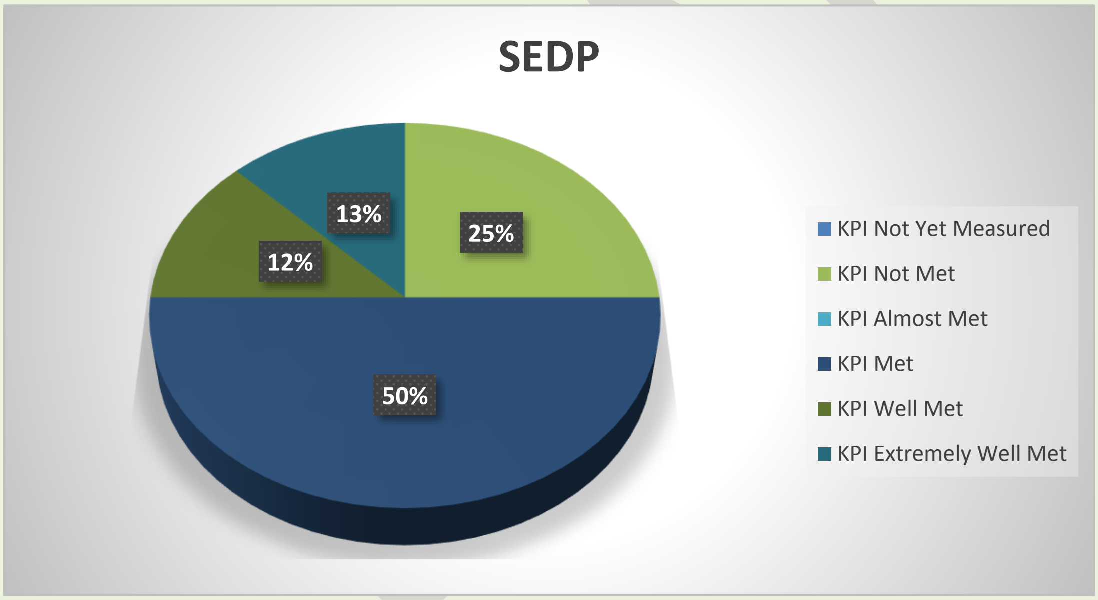
STRATEGIC, ECONOMIC DEVELOPMENT AND PLANNING

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL49	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Local Economic Development	Support SMME's through business incubation by setting up developmental programmes for at least ten businesses annually	Number of businesses provided with developmental programme	New	N/A - target achieved	10	10	G
TL53	To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	Local Economic Development	To perform at least two feasibility studies to identify suitable land for human settlements in order to ensure security of land tenure for people	Number of feasibility studies performed	New	N/A - target achieved	2	2	G
TL54	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and storm water services to all residents of SPM	Basic and Sustainable Service Delivery and Infrastructure Development	To survey 2,000 additional erven and submit to the Surveyor General by 30 June 2016	Erven planned, surveyed on approved SG Diagram	10	N/A - target achieved	2,000	2,645	G2

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL56	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Local Economic Development	Review the current by-laws applying to land development as well as alienation and rezoning of both privately owned and government owned land parcels by 30 June 2016	Approval of the by-law and government gazette publishing the by-law	New	N/A - target achieved	1	1	G

PERFORMANCE RESULTS

Summary of Results		
	KPI Not Yet Measured	0
	KPI Not Met	2
	KPI Almost Met	0
	KPI Met	4
	KPI Well Met	1
	KPI Extremely Well Met	1
	Total KPIs	**8**



INFRASTRUCTURE AND SERVICES

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL7	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth	Basic and Sustainable Service Delivery and Infrastructure Development	For the replacement projects of the two old high lift pumps at Riverton Water Purification Works ensure that the tender for replacement is awarded and the order for the 2 pumps placed by 30 June 2016	% completion of the identified tasks	New	N/A - target achieved	100%	100%	G
TL8	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth	Basic and Sustainable Service Delivery and Infrastructure Development	To complete at least 70% of the dewatering phase of the Homevale Waste Water project by 30 June 2016	% completion of the project phase	64%	N/A - target achieved	70%	77%	G2
TL10	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	Decrease electricity losses to 15.5% by 30 June 2016	% electricity losses	16.47%	The electricity loss remains a challenge. This indicator will be reprioritised in the coming financial year and projects/activities aimed at reducing the	15.50%	19.30%	G2

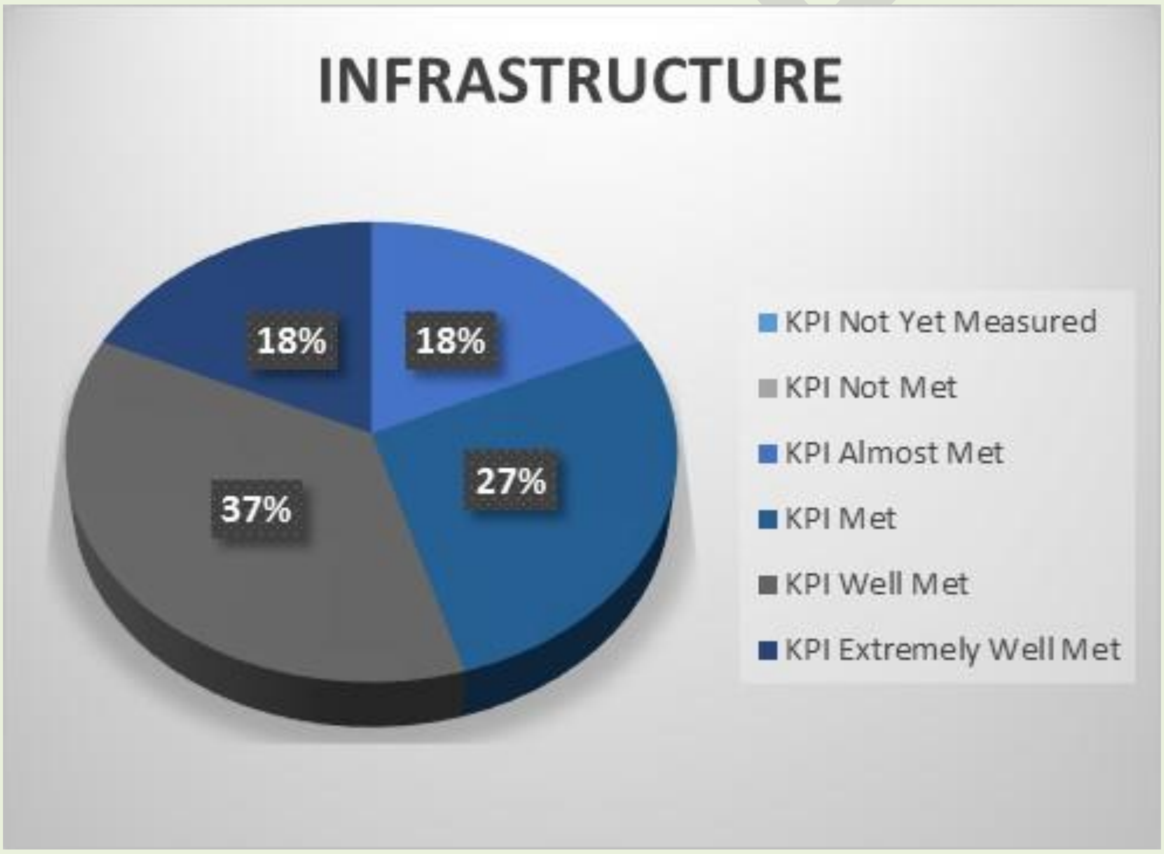
Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
						loss will be implemented.			
TL11	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and storm water services to all residents of SPM	Basic and Sustainable Service Delivery and Infrastructure Development	446 additional households connected to the electricity network by 30 June 2016	No of houses connected to electricity network	492	N/A - target achieved	446	1,876	B
TL12	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	Decrease non-revenue water losses to 37% by 30 June 2016	% water losses	44%	The water loss remains a massive challenge. A number of projects aimed at reducing this loss have been identified and will be implemented in the coming financial year.	37%	56.39%	B

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL13	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	Achieve 92% Blue Drop Status (BDS) by 30 June 2016	Annual % status achieved	84%	N/A - target achieved	92%	98%	G2
TL14	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	Achieve 90% Green Drop Status (GDS) by 30 June 2016	Annual % status achieved	76%	A number of challenges are experienced in this regard. Mainly foreign objects being fed into the sewage system. Awareness campaigns will be held in an effort to reduce this risk.	90%	71%	O
TL17	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	Paving of 2,5 km residential roads by 30 June 2016	Km of roads paved	17km	Target will be reprioritised in the next financial year.	2.5	2.1	O

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance		
						Corrective Measures	Target	Actual	R
TL18	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and storm water services to all residents of SPM	Basic and Sustainable Service Delivery and Infrastructure Development	409 Additional Households to be provided with a subsidised house by 30 June 2016	No of houses constructed	516	N/A - target achieved	409	529	G2
TL35	To ensure that the municipality provides basic services to the community in a cost effective manner	Good Governance and Public Participation	Approval of community survey policy as part of the implementation of the back to basics document by 30 June 2016	Approved policy	New	N/A - target achieved	1	1	G
TL57	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth	Basic and Sustainable Service Delivery and Infrastructure Development	To commence with the procurement process by appointing a professional consultant and approving the bid specifications for the construction of the new pump station in Riverton (to host the new high lift pumps) by 30 June 2016	% completion of the identified tasks	New	N/A - target achieved	100%	100%	G

PERFORMANCE RESULTS

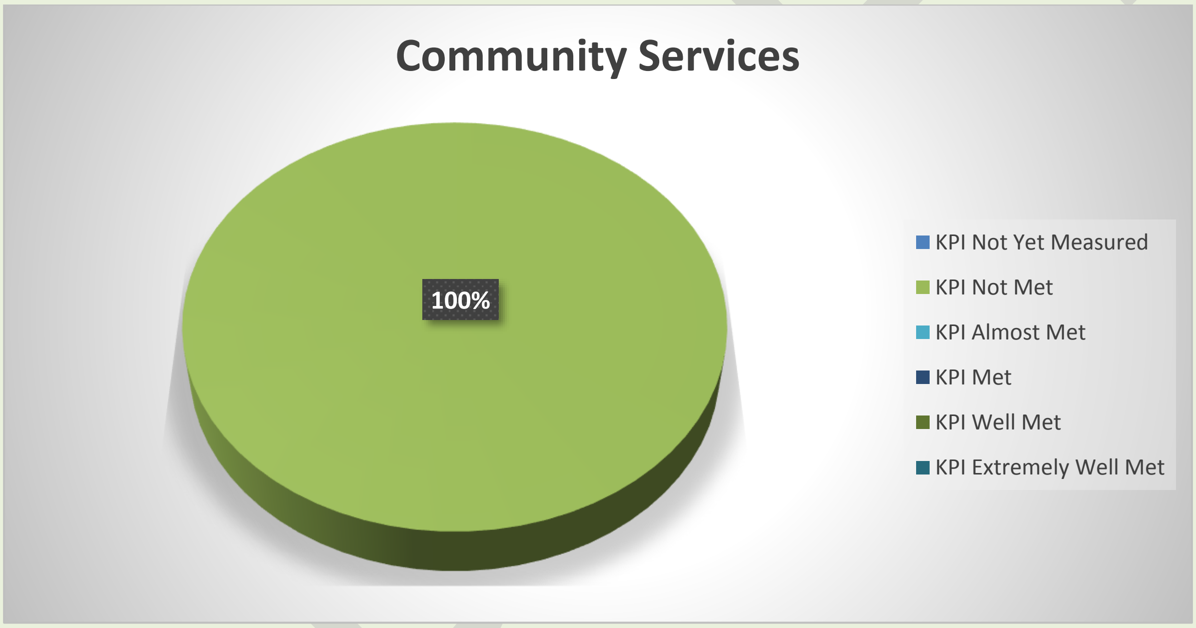
Summary of Results		
	KPI Not Yet Measured	0
	KPI Not Met	0
	KPI Almost Met	2
	KPI Met	3
	KPI Well Met	4
	KPI Extremely Well Met	2
	Total KPIs	**11**



COMMUNITY SERVICES

5. Ref	6. Strategic Objective	7. Municipal KPA	8. KPI	9. Unit of Measurement	10. Baseline Previous year performance	June 2016	11. Overall Perform	
						Corrective measures	Target	Actual
TL55	To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Basic and Sustainable Service Delivery and Infrastructure Development	Provide weekly refuse collection to 52,000 households in Sol Plaatje by 30 June 2016	No of houses receiving a weekly solid waste removal service	48,000	This target will be reprioritised in the next financial year to ensure that performance is improved.	52,000	44,261

Summary of Results		
	KPI Not Yet Measured	0
	KPI Not Met	1
	KPI Almost Met	0
	KPI Met	0
	KPI Well Met	0
	KPI Extremely Well Met	0
	Total KPIs	**1**



ANALYSIS OF KEY PERFORMANCE AREAS

An analysis of the achievement of targets per key performance area was also performed. Please refer to the breakdown provided below:

SDBIP 2015/2016: Top Layer SDBIP Report

Basic and Sustainable Service Delivery and Infrastructure Development

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - previous year performance	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL7	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth	Basic and Sustainable Service Delivery and Infrastructure Development	For the replacement projects of the 2 old high lift pumps at Riverton Water Purification Works ensure that the tender for replacement is awarded and the order for the 2 pumps placed by 30 June 2016	% completion of the identified tasks	New	N/A - target achieved	100%	100%	G
TL8	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth	Basic and Sustainable Service Delivery and Infrastructure Development	To complete at least 70% of the dewatering phase of the Homevale Waste Water project by 30 June 2016	% completion of the project phase	64%	N/A - target achieved	70%	77%	O

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - previous year performance	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL10	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	Decrease electricity losses to 15.5% by 30 June 2016	% electricity losses	16.47%	The electricity loss remains a challenge. This indicator will be reprioritised in the coming financial year.	15.50%	19.30%	G2
TL11	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and storm water services to all residents of SPM	Basic and Sustainable Service Delivery and Infrastructure Development	446 additional households connected to the electricity network by 30 June 2016	No of houses connected to electricity network	492	N/A - target achieved	446	1876	B
TL12	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	Decrease non-revenue water losses to 37% by 30 June 2016	% water losses	44%	The water loss remains a massive challenge. A number of projects aimed at reducing this loss have been identified and will be implemented in the coming financial year.	37%	56.39%	B

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - previous year performance	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL13	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	Achieve 92% Blue Drop Status (BDS) by 30 June 2016	Annual % status achieved	84%	N/A - target achieved	92%	98%	G2
TL14	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	Achieve 90% Green Drop Status (GDS) by 30 June 2016	Annual % status achieved	76%	A number of challenges are experienced in this regard. Mainly foreign objects being fed into the sewerage system. Awareness campaigns will be held in an effort to reduce this risk.	90%	71%	O
TL17	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	Paving of 2,5 km residential roads by 30 June 2016	Km of roads paved	17km	Target will be re-prioritized in the next FY.	2.5	2.1	O

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - previous year performance	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL18	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and storm water services to all residents of SPM	Basic and Sustainable Service Delivery and Infrastructure Development	409 Additional Households to be provided with a subsidised house by 30 June 2016	No of houses constructed	516	N/A - target achieved	409	529	G2
TL22	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and storm water services to all residents of SPM	Basic and Sustainable Service Delivery and Infrastructure Development	12 000 Indigent households to receive free basic services (water, electricity and waste removal according to national guidelines) by 30 June 2016	No of indigent households receiving free basic services	5142	N/A - target achieved	12,000	13,870	G2

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - previous year performance	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL30	To ensure continuous maintenance, refurbishment, upgrade and replacement of existing infrastructure assets	Basic and Sustainable Service Delivery and Infrastructure Development	To appropriate at least 8% of the operational budget on repairs and maintenance by 30 June 2016	% spend on O&M	5%	Though the municipality has significantly increased its allocation towards maintenance budget, the situation is exacerbated by under-spending on maintenance budget allocated to various votes. To improve on maintenance, maintenance plans linked to timelines are recommended to ensure that maintenance is not deferred as this leads to higher costs of maintenance in the future and may lead to infrastructure failures	8%	7%	O

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - previous year performance	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL54	To ensure sustainable delivery in respect of water and sanitation, electricity, solid waste management and roads and storm water services to all residents of SPM	Basic and Sustainable Service Delivery and Infrastructure Development	To survey 2 000 additional erven and submit to the Surveyor General by 30 June 2016	Erven planned, surveyed on approved SG Diagram	10	N/A - target achieved	2,000	2,645	G2
TL55	To ensure sustainable delivery of community services (personal health, environmental health, libraries, parks and recreation, emergency and traffic services) to all residents of SPM	Basic and Sustainable Service Delivery and Infrastructure Development	Provide weekly refuse collection to 52,000 households in Sol Plaatje by 30 June 2016	No of houses receiving a weekly solid waste removal service	48000	This target will be reprioritised in the next financial year.	52,000	44,261	O

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - previous year performance	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL57	To ensure adequate provision of new bulk infrastructure to unlock and sustain development and growth	Basic and Sustainable Service Delivery and Infrastructure Development	To commence with the procurement process by appointing a professional consultant and approving the bid specifications for the construction of the new pump station in Riverton (to host the new high lift pumps) by 30 June 2016	% completion of the identified tasks	New	N/A - target achieved	100%	100%	G

Good Governance and Public Participation

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL6	To continuously assess internal control environment by conducting internal audits across various functions of the municipality	Good Governance and Public Participation	Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue at least 10 internal audit reports to the audit committee during the year	Number of internal audit reports compiled	New	N/A - target achieved	10	14	G2
TL32	To ensure an improved audit opinion in line with the LGTAS	Good Governance and Public Participation	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders awarded by 30 June 2016	% successful appeals	0	N/A - target achieved	5%	0%	B

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL33	To ensure an improved audit opinion in line with the LGTAS	Good Governance and Public Participation	Submit an Audit Action Plan to the Municipal Manager to address issues raised by the Auditor General by 31 January annually	Annual Action Plan submitted	New	N/A - target achieved	1	1	G
TL34	To ensure that the municipality provides basic services to the community in a cost-effective manner	Good Governance and Public Participation	Adoption of the back to basics to inform the service delivery strategy of the municipality by 30 June 2016.	Back to Basics strategy adopted	New	N/A - target achieved	1	1	G
TL35	To ensure that the municipality provides basic services to the community in a cost-effective manner	Good Governance and Public Participation	Approval of community survey policy as part of the implementation of the back to basics document by 30 June 2016	Approved policy	New	N/A - target achieved	1	1	G
TL36	To enhance the public profile, reputation and positioning of the SPM	Good Governance and Public Participation	Ensure an updated and user friendly web site by 30 June 2016	% compliant to relevant legislation	New	N/A - target achieved	100%	100%	G

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline - Previous year performance	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL37	To enhance the public profile, reputation and positioning of the SPM	Good Governance and Public Participation	To effectively communicate to the public by issuing monthly newsletters and press releases when required.	Number of newsletters and press releases issued	New	N/A - target achieved	12	12	G
TL41	To ensure an improved audit opinion in line with the LGTAS	Good Governance and Public Participation	To report quarterly on the progress of risk mitigation to the Engagement Management Team (EMT)	Number of reports submitted	New	N/A - target achieved	4	4	G

Local Economic Development

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL19	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Local Economic Development	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award	Average time in weeks to awards tenders	12.08		12	12	G
TL20	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Local Economic Development	To improve the SCM turnaround time to 6 weeks for once off contracts from closing date to date of award	Average time in weeks to awards tenders	9.87		6	6	G

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL21	To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	Local Economic Development	Ensure that at least 60% of the Municipality's own procurement for goods and services are sourced from local black SMME's (category D2 suppliers)	% of the Municipality's own procurement for goods and services	0.67		60%	67%	G2
TL45	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Local Economic Development	Ensuring a turnaround time for building plan approval of 10 weeks by 30 June 2016 for buildings or architectural buildings greater than 500m² in accordance with NBRBSA - 103/1977	Average time in weeks to approve building plans	18 weeks		10	16	B
TL46	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Local Economic Development	Ensuring a turnaround time for building plan approval of 6 weeks by 30 June 2016 for buildings or architectural buildings less than 500m² in accordance with NBRBSA - 103/1977	Average time in weeks to approve building plans	12 weeks		6	16	B

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL47	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Local Economic Development	Improving a turnaround time for development applications (rezoning) from receipt of all sectional comments, submission to Development and Planning Committee and Council of 10 weeks by 30 June 2016	Average time in weeks to approve applications	16 weeks		10	10	G
TL48	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Local Economic Development	Promote tourism into the city using arts, culture and heritage as a strategy by creating a marketing platform for SMME's through at least 3 events partnered by Sol Plaatje on an annual basis	Number of marketing platforms created (events)	New		3	5	B
TL49	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Local Economic Development	Support SMME's through business incubation by setting up developmental programmes for at least 10 businesses annually	Number of businesses provided with developmental programme	New		10	10	G

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL52	To initiate, lead and sustain an investment environment for job creation in the SPM Area	Local Economic Development	Create 300 FTE jobs through EPWP initiatives of the SPM by 30 June 2016	No of FTE jobs created	FTE		300	349	G2
TL53	To leverage municipal assets and the municipal procurement process with the view to stimulate redistribution and growth	Local Economic Development	To perform at least two feasibility studies to identify suitable land for human settlements in order to ensure security of land tenure for people	Number of feasibility studies performed	New		2	2	G
TL56	To provide an enabling environment for LED in SPM within the context of National and Provincial Frameworks	Local Economic Development	Review the current by-laws applying to land development as well as alienation and rezoning of both privately owned and government owned land parcels by 30 June 2016	Approval of the by-law and government gazette publishing the by-law	New		1	1	G

Municipal Institutional Development and Transformation

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL1	To provide an overarching framework for sustainable municipal performance improvement	Municipal Institutional Development and Transformation	Approve the Reviewed Integrated Performance Management Policy by 31 May 2016	Reviewed policy. Minutes of council meeting where approved	Current		1	1	G
TL2	To provide an overarching framework for sustainable municipal performance improvement	Municipal Institutional Development and Transformation	Approve the final IDP review 2015/16 for adoption by Council by 31 May 2016	IDP adopted by Council	1		1	1	G
TL3	To provide an overarching framework for sustainable municipal performance improvement	Municipal Institutional Development and Transformation	Submit the Final SDBIP to the Executive Mayor by 30 June 2016	Approved SDBIP by Executive Mayor	1		1	1	G
TL4	To provide an overarching framework for sustainable municipal performance improvement	Municipal Institutional Development and Transformation	Conduct bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager by 30 June 2016	Number of assessments conducted	2		2	2	G

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL5	To provide an overarching framework for sustainable municipal performance improvement	Municipal Institutional Development and Transformation	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter for 2015/16	No of Reports submitted	4		4	4	G
TL38	To provide a framework for Municipal Transformation and Institutional Development	Municipal Institutional Development and Transformation	Achieve 80% compliance with the EAP Plan of the municipality by ensuring representation of the ratio profile of the local authority on municipal level by 30 June 2016	% compliance	0.87		80%	66%	O
TL39	To provide a framework for Municipal Transformation and Institutional Development	Municipal Institutional Development and Transformation	To table the Human Resource Management Plan to Council by 30 June 2016	The tabled HRM Plan	0.6		1	80	B

Ref	Strategic Objective	Municipal KPA	KPI	Unit of Measurement	Baseline	June 2016	Overall Performance for Sep 2015 to Jun 2016		
						Corrective Measures	Target	Actual	R
TL40	To provide a framework for Municipal Transformation and Institutional Development	Municipal Institutional Development and Transformation	Review and submit the Strategic Risk Register to the Accounting Officer by 31 March 2016	Approved Strategic risk register	New		1	1	G
TL42	To provide a framework for Municipal Transformation and Institutional Development	Municipal Institutional Development and Transformation	Submission of an Annual Report on risk management maturity level of SPM to NT by 30 June each year	Maturity Report submitted	New		1	1	G

CONCLUSION

We believe that this annual performance report provides a complete and accurate overview of the municipality's performance against targets set for the 2015/2016 financial year.

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE (PERFORMANCE REPORT PART II)

4.0 ORGANISATIONAL DEVELOPMENT PERFORMANCE

The main purpose of Organisation Development is to provide training and development interventions with the aim to increase the competencies of officials so that services can be rendered effectively.

COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

(Approved posts are the approved posts as per the tabled and approved organogram end June 2016)

Description	2014/2015	2015/2016			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.				%
Infrastructure and Services					
Executive Director's Office	0	13	12	1	7.69
Water & Sanitation	156	326	178	148	45.40
Electricity Services	137	225	145	80	35.56
SECCU	1	2	1	1	50.00
Housing	49	77	65	96	22.08
Roads & Storm Water	62	161	65	96	59.63
SEDP	85	179	87	92	51.40
Community Services					
Clinics	23	98	21	77	78.57
Emergency Services	58	140	62	78	55.70
Environmental Health	7	35	8	27	77.14

Description	2014/2015	2015/2016			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.				%
Library Services	37	66	39	27	40.91
Motor Vehicle Licensing & Registration	25	48	29	19	39.58
Parks & Recreation	218	319	253	66	20.69
Social Development HIV/Aids	3	3	3	0	0.00
Traffic Law Enforcement	80	105	86	19	18.10
Waste Management	98	349	111	238	68.20
Corporate Services	127	220	135	85	38.64
Financial Services					
Finance	184	247	233	14	5.67
ICT	10	20	11	9	45.00
Supply Chain	36	39	37	2	5.13
Totals	**1,360**	**2,659**	**1,563**	**1,096**	

Note: These figures do not include the whole organisation.

4.1.2 Vacancy Rate 2015/2016

Designations	*Total Approved Posts	*Vacancies (Total time that vacancies exist using full-time equivalents)	*Vacancies (as a proportion of total posts in each category)
	No.		%
S54 Municipal Manager	1	0	0.00
CFO	1	0	0.00
Other S56 Directors (excluding Finance Posts)	7	2	28.60
Other S57 Managers (Finance posts)	0	0	0.00
Police officers	14	7	50.00
Fire fighters	101	56	55.40
Senior management: Levels 13-15 (excluding Finance Posts)	105	43	41.00
Senior management: Levels 13-15 (Finance posts)	25	3	12.00
Highly skilled supervision: levels 9-12 (excluding Finance posts)	729	185	25.40
Highly skilled supervision: levels 9-12 (Finance posts)	218	9	4.10
Total	**1,201**	**305**	**15.10**

Note: The figures outstanding relate to the Task levels which have not been evaluated for all levels. It is expected that the Appeals process will be finalised by June 2016.

4.1.3 Turnover Rate 2015/2016

Details	Total Appointments as of beginning of Financial Year	Terminations during the Financial Year	Turn-over Rate*
	No.		
2012/2013	93	136	146%
2013/2014	101	143	142%
2014/2015	23	63	274%
2015/2016	197	201	102%

4.1.4 Comment on Vacancies and Turnover

Vacancies are recorded on two software systems and the rate remains a matter for concern. Finally, the organogram was approved by council on 29 June 2016. This will mean that the organogram will have to be reloaded onto the software system and carefully monitored with our software system to ensure that there are no discrepancies.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

4.2 INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

The primary objective of Human Resource Management is to render an innovative Human Resource service that addresses both skills development and an administrative function.

4.3 POLICIES

4.3.1 Comment on Workforce Policy Development

Human Resource Section regularly reviews existing policies and procedures in addressing all human resource related matters and any challenges faced by the Municipality. One of our biggest challenge remains the recruitment and retention of skilled technical staff in order to meet the Municipality's objectives as set out in the IDP.

Recruitment includes headhunting technical staff based on the provisions of the recruitment and selection policy.

4.3.2 Human Resource Policies and Plans

Human Resource Policies and Plans				
Item	**Name of Policy**	**Completed**	**Reviewed**	**Date adopted by council or comment on failure to adopt**
1	Affirmative Action	100%	100%	7 July 2010
2	Attraction and Retention	100%	100%	Tabled at Committee of Council: Corporate
3	Code of Conduct for employees	100%	100%	Schedule 1 of Municipal Systems Act
4	Delegations, Authorisation & Responsibility	100%	100%	Adopted by June 2005
5	Disciplinary Code and Procedures	100%	100%	SALBC Agreement: adopted
6	Essential Services	100%	100%	Regulated by the Labour Relations Act

Human Resource Policies and Plans				
Item	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
7	Employee Assistance / Wellness	90%	100%	Tabled at Committee of Council: Corporate
8	Employment Equity	100%	100%	7 July 2010
9	Exit Management	100%	100%	HR Procedure
10	Grievance Procedures	100%	100%	SALBC Agreement
11	HIV/Aids	100%	100%	7 July 2010
12	Human Resource Training and Development	100%	100%	Regulated by Skills Development Act
13	Information Technology Policies	100%	100%	30 June 2010, reviewed July 2012
14	Job Evaluation	100%	100%	Approved by Council, 4 November 2014
15	Leave	100%	100%	SALBC
16	Occupational Health and Safety	100%	100%	Regulated by Health and Safety Act
17	Official Housing	N/A	N/A	Not Applicable
18	Travelling and Subsistence Allowance Policy	100%	100%	8 December 2009; reviewed 2012
19	Official transport to attend Funerals	N/A	N/A	Not applicable
20	Official Working Hours and Overtime	100%	0%	Conditions of Service:
21	Organisational Rights	100%	100%	SALBC Agreement
22	Payroll Deductions	100%	100%	HR Procedure
23	Performance Management and Development	100%	90%	Approved 7 July 2010
24	Recruitment, Selection and Appointments	100%	100%	Approved 2 June 2015
25	Remuneration Scales and Allowances	100%	100%	SALBC Agreement
26	Resettlement	100%	100%	Housing Procedure
27	Sexual Harassment	100%	100%	Reviewed 7 July 2010

Human Resource Policies and Plans				
Item	**Name of Policy**	**Completed**	**Reviewed**	**Date adopted by council or comment on failure to adopt**
28	Skills Development	100%	100%	Regulated by Skills Development Act
29	Smoking	90%	100%	Tabled at Committee of Council: Corporate
30	Special Skills	100%	100%	Council resolution
31	Uniforms and Protective Clothing	100%	100%	HR Procedure

4.3.3 Comment on Workforce Policy Development

Municipalities fall under the scope of the South African Local Government Association (SALGA); accordingly, the policy environment for municipalities, including the Sol Plaatje Municipality, is regulated by the South African Local Bargaining Council (SALBC) agreements. Given that municipalities exercise legislative and executive authority in terms of Chapter 7 of the Constitution of the Republic of South Africa (1996, as amended), read in conjunction with the legislative framework on co-operative governance, municipalities adopt policies and procedures to regulate the policy lacuna of the SALBC framework, for instance section 151(3) of the Constitution provides that *"a Municipality has the right to govern on its own initiative, the local affairs of its community, subject to national and provincial legislation..."*. Accordingly, the policy schedule referred to under 4.2.1 reflects this dialectical interrelationship between policies adopted by the SALBC and the Sol Plaatje Municipality for the applicable period. The local government legislative framework including but not limited to the following legislation regulates other policies:

- Constitution of the Republic of South Africa (Act No. 108 of 1996, as amended)
- Local Government: Municipal Finance Management Act (Act No. 56 of 2003) (referred to hereafter as the MFMA)
- Local Government: Municipal Structures Act (Act No. 117 of 1998)
- Local Government: Municipal Systems Act (Act No. 32 of 2000, as amended)
- Employment Equity Act (Act No. 55 of 1998)
- Basic Condition of Employment Act (Act No. 75 of 1997, as amended)

- Labour Relations Act (Act No 66 of 1995, as amended)
- Occupational Health and Safety Act (Act No. 85 of 1993, as amended)
- Skills Development Act (Act No. 97 of 1998, as amended)

4.4 INJURIES, SICKNESS AND SUSPENSIONS

In terms of injury on duty SPM is unable to prematurely calculate injuries on duty (IOD) for any future injuries.

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken	Employees using injury leave	Proportion employees using IOD sick leave	Average Injury Leave per employee	Total Estimated Cost (Rands)
	Days	No.	%	Days	
Required basic medical attention only	0	11	0	0	8 323.12
Temporary total disablement	601	36	1,9%	16,7	459 302.55
Permanent disablement	0	0	0	0	0
Fatal	0	0	0	0	0
Total	**601**	**47**	**1,9%**	**16,7**	**467 625.67**

4.4.1 Number of Days and Cost of Sick Leave (excluding Injuries on duty)

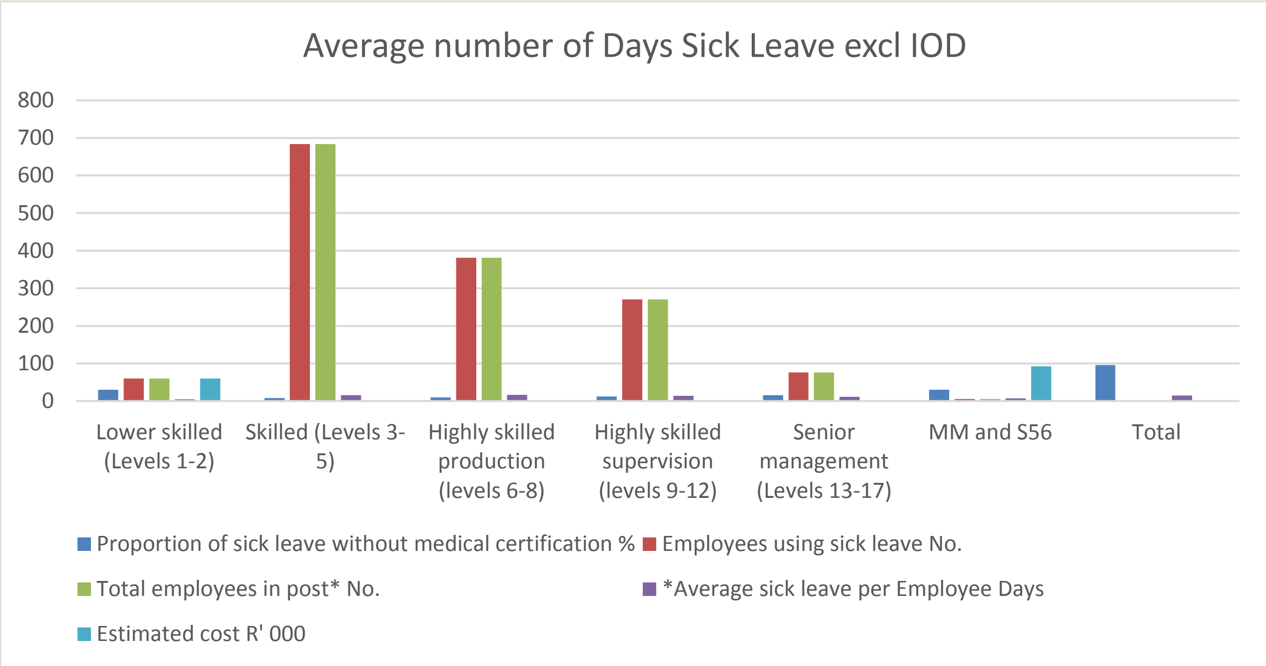
Sick leave per employee is not calculated separately, it forms part of the total remuneration package per employee.

Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employee	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	487	30.00	60	60	8.11	60
Skilled (Levels 3-5)	8,063	8.00	684	684	11.78	3 000
Highly skilled production (levels 6-8)	5,268	10.00	381	381	13.82	2 800
Highly skilled supervision (levels 9-12)	3,474	12.50	270	270	12.86	2 700
Senior management (Levels 13-17)	553	16.00	76	76	7.27	1 100
MM and S56	41	30.00	5	5	8.20	92
Total	**17,886**	**95.50**	**1,476**	**1,476**	**12.11**	**11 120**

** - Number of employees in post at the beginning of the year*

**Average is calculated by taking sick leave in column 2 divided by total employees in column 5*

T 4.3.2



4.4.2 Comment on Injury and Sick Leave

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Occupational injury will influence the loss of man hours according to the seriousness of the injury/disease and can be costly to the municipality based on the financial and productivity performance.

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

4.4.3 Number and Period of Suspensions

Position	Nature of Alleged Misconduct	Date of Suspension	Details of Disciplinary Action taken or Status of Case and Reasons why not Finalised	Date Hearing Finalised
Supervisor (Maintenance)	Grinding of pieces of the motor of an air conditioner at Floors Community Hall and selling the pieces to a Scrap Metal Dealer.	19/05/2015	Disciplinary hearing to commence after 15 September 2015.	December 2015
3 x General Assistants (Maintenance)	Grinding of pieces of the motor of an air conditioner at Floors Community Hall and selling the pieces to a Scrap Metal Dealer.	19/05/2015	Disciplinary hearing to commence after 15 September 2015.	December 2015

4.4.4 Disciplinary Action Taken on Cases of Financial Misconduct

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Hearing Finalised
Supervisor (De Beers Stadium)	Theft of fuel	Disciplinary hearing commenced on 18 August 2015 due to condonation ruling by the SALGBC	October 2015
Clerk: Fuel Control SCM	Theft of fuel	Disciplinary hearing commenced on 18 August 2015 due to condonation ruling by the SALGBC	October 2015
Elementary Worker (Motor Workshop)	Theft of motor engine (SPM)	Disciplinary hearing 28/01/2013 finalised. Case in Labour Court	Still waiting for a date at Labour Court
Administrator: HR	Tampered with medical records as well as medical certificates	July 2015	Appeal hearing finalised

Position	Nature of Alleged Misconduct and Rand value of any loss to the municipality	Disciplinary action taken	Date Hearing Finalised
			October 2015

4.4.5 Comment on Suspensions and Cases of Financial Misconduct

There is a tendency by the accused employees to contest their cases to Labour Court level.

4.5 PERFORMANCE REWARDS

The municipality does not have a performance reward policy. At this stage, various ways to motivate individuals and teams to perform has been introduced. The Section of the Year Awards has now been running for the second time and the outcomes of the competition are captured below:

The municipality does not budget for performance bonuses for the Municipal Manager (MM) and the Section 57 appointees. However, on a quarterly basis, the MM and Section 57 appointees are evaluated and an outcomes report is given to each participant with recommendations from the panel on areas for improvements.

The municipality has a system designed to encourage teamwork and supporting the entire rendering of municipal services. Each year, a competition of divisions and/or sections are entered into in two categories being:

- Unit Performer of the year – service delivery
- Unit performer of the year – supporting functions

A certificate of recognition is given for participating in the competition.

The offices of the Executive Mayor and that of the Municipal Manager sponsor the event and are signatories to all certificates awarded. The following sections won the awards in:

- Service Delivery Unit Performer of the year
  - First place – Africana Library
  - Second place – Beaconsfield Library
  - Third place – Waterworks
- Support Unit Performer of the year
  - First place – Information Technology
  - Second place – Corporate GIS
  - Third place – HR Personnel

- Achievement Award

No Achievement Award was given out in 2015, however there were individual performers nominated by colleagues/Directors for the various occupational categories and voted for by a panel:

- Driver / Messenger occupational category – A Smit
- Elementary Worker occupational category – P Jacobs
- Clerical and Admin Officers occupational category – C Janse
- Independent Specialist occupational category – M Mudau
- Managers occupational category – W Gouws and A Samson (Joint Winners)
- Professional occupational category – G Tsoai
- Senior Operational occupational category – S Maseng
- Specialist occupational category – K Ponton and A Abbott (Joint Winners)

4.5.1 Comment on Performance Rewards

The municipality does not budget for performance awards; however, money is allocated for first, second and third positions for service delivery and support function sections respectively. The performance awards have been introduced to sections and staff of the organisation. Twenty-one employees have been selected for the individual awards.

Individual performers each received a certificate as well as a trophy. No prize money was given to them.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

4.6 INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

The major challenge still facing the implementation of training and development is the inability of the LGSETA to communicate the amount of grant payments to be received, as well as when such payments will be made, which hampers the effective planning and implementation of training.

Due to the non-performance of the LGSETA, expectations for future training created during training needs analysis, resulted in officials becoming reluctant to express their respective training needs.

The problem of employees not attending training once being nominated were discussed at several occasions. The trend however remains unchanged.

The emphasis on future training is still to implement PIVOTAL training that is aimed at participants receiving full and accredited qualifications relevant to the work they are doing. The LGSETA has not yet communicated and/or paid any monies to pay for PIVOTAL related training.

4.6.1 Skills Development and Training

Management Level	Gender	Employees in post as at 2015/06/30	Number of skilled employees required and actual as at 30 June Year 2016											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: 30/6/15	Actual: 30/6/16	Target 2016/2017	Actual: 30/6/15	Actual: 30/6/16	Target 2016/2017	Actual: 30/6/15	Actual: 30/6/16	Target 2016/2017	Actual: 30/6/15	Actual: 30/6/16	Target 2016/2017
Managers	Female	1	0	0	0	1	0	18	0	0	0	1	0	18
	Male	3	0	0	0	5	0	19	0	0	0	5	0	19
Professionals	Female	7	0	0	0	9	3	9	1	1	1	10	4	10
	Male	14	0	0	0	120	1	14	4	4	3	124	5	17
Technicians and Trade Workers	Female	3	0	0	0	0	34	10	0	1	0	0	35	10
	Male	68	0	0	0	0	95	32	8	11	8	8	106	40
Community and Personal Services Workers	Female	38	0	0	0	39	0	7	0	0	0	39	0	7
	Male	20	0	0	0	4	0	30	0	0	0	4	0	30
Clerical and Administrative Workers	Female	0	0	0	0	5	21	17	0	0	0	5	21	17
	Male	3	0	0	0	6	15	18	0	0	0	6	15	18
Machine Operators and Drivers	Female	1	0	0	0	0	0	1	0	0	0	0	0	1
	Male	11	0	0	0	0	0	92	0	0	0	0	0	92
Labourers	Female	9	0	0	0	0	0	52	0	0	0	0	0	52
	Male	56	0	0	0	0	0	187	0	0	0	0	0	187
	Female	23	0	0	0	0	0	156	0	0	0	0	0	156

Management Level	Gender	Employees in post as at 2015/06/30	Number of skilled employees required and actual as at 30 June Year 2016											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: 30/6/15	Actual: 30/6/16	Target 2016/2017	Actual: 30/6/15	Actual: 30/6/16	Target 2016/2017	Actual: 30/6/15	Actual: 30/6/16	Target 2016/2017	Actual: 30/6/15	Actual: 30/6/16	Target 2016/2017
Sale and Service Workers	Male	63	0	0	0	0	0	46	0	0	0	0	0	46
Total		320	0	0	0	189	169	708	13	17	12	202	186	720

4.6.2 Skills Development Expenditure 2015/2016

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on Skills Development 2015/2016							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
Managers	Female	31	0	0	25 000	12 365	0	0	25 000	12 365
	Male	62	0	0	30 000	21 402	0	0	30 000	21 402
Professionals	Female	29	0	0	10 000	10 450	0	0	10 000	10 450
	Male	44	0	0	20 000	17 428	500 000	489 892	520 000	507 320
Technicians and Trade Workers	Female	8	0	0	50 000	0	0	0	50 000	0
	Male	190	0	0	320 000	353 397	400 000	389 333	720 000	742 730
Clerical and Administrative Workers	Female	289	0	0	30 000	18 600	0	0	30 000	18 600
	Male	162	0	0	21 996	11 450	0	0	21 996	11 450
Community and Personal Service Workers	Female	6	0	0	4 000	2 500	0	0	4 000	2 500
	Male	22	0	0	30 000	28 507	0	0	30 000	28 507
Machine Operators and Drivers	Female	1	0	0	20 000	0	0	0	20 000	0

Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on Skills Development 2015/2016							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
	Male	85	0	0	6 000	5 867	0	0	6 000	5 867
Elementary occupations	Female	130	0	0	1 000	259	0	0	1 000	259
	Male	573	0	0	2 000	1 888	0	0	2 000	1 888
Sales and Service Workers	Female	50	0	0	35 000	37 213	0	0	35 000	37 213
	Male	121	0	0	65 000	60 701	0	0	65 000	60 701
Total		1,803	0	0	660 996	582 027	900 000	879 225	1 524 996	1 461 252
**% and *R value of municipal salaries (original budget) allocated for workplace skills plan.*										

This includes the ISDG project.

4.6.3 Comment on Skills Development and Related Expenditure and on the Financial Competency Regulations

The table below presents a summary of trained officials in finance directorate

Position	Requirements	MFMP Training	Year
Municipal Manager	NQF level 6	Yes	2012 Dec
Chief Financial Officer	NQF level 7	Yes	2012 Dec
BTO Manager	NQF level 7	Yes	2012 Dec
Head: SCM	NQF level 6	Yes	2013 Dec
Other managers reporting to CFO	NQF level 5-6	Yes	2012 Dec
SCM Practitioners	NQF level 3-5	Yes	In progress
Revenue Management	NQF level 5-6	Yes	2015 May

All staff that are indicated as in progress shall complete the MFMP training in April 2015, well ahead of the expiry date of the exemption. The municipality provides all the necessary resources to ensure that staff completes the training in time.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

4.7 INTRODUCTION TO WORKFORCE EXPENDITURE

As a service delivery driven organisation, reliance on human capital is beyond imagination, whilst at the same time focusing on skills, talent and experiences is even more critical whilst being mindful of the costs associated with the employees. The municipality's target to spend up to 33% of its operational budget has been put under pressure as a result of the adoption of the new remuneration system.

The municipality is delivery driven and performing its mandatory and non-mandatory services using networks and systems, as such skills level especially in the engineering and town planning sections of the municipality. More than 60% of the employee costs budget is spent in these areas, whilst community services, financial, and corporate services take about 40% of employee costs.

The municipality has reviewed the organisational structure taking into account various factors such as the growth of the city, state of infrastructure and planned infrastructure investment framework, demand for services and compliance and reporting requirements of the organisation. The municipality also found it necessary to revise the remuneration system whereby the following is now applicable:

- Remuneration of Councillors, based on Upper Limits Gazette
- Remuneration of Municipal Manager and Managers reporting directly to the Municipal Manager (Appointed before 1 July 2014)
- Remuneration of Municipal Manager and Managers reporting directly to the Municipal Manager (Appointed after 1 July 2014) Upper Limits
- Remuneration of other staff from Patterson Grading to Tuned Assessment of Skills and Knowledge (TASK)
- EPWP Incentive Grant Daily Wage Rate for project workers
- Entry Level Salary for Contract Staff (general labour and some non-skilled, clerical jobs)

The staff establishment regulations came into effect on 16 January 2015, as municipalities were given a twelve-month period to review and approve the new staff establishments in line with the regulations. The municipality extends benefits to staff such as pension, medical aid,

group life cover as well as cell phone, 3G and travel allowances. In terms of the new agreement, certain staff qualifies for housing allowance as guided by these agreements.

The annual salary increases are negotiated through central negotiating team represented by South African Local Government Association (SALGA) representing municipalities as employer. The annual increases as per the agreement applies to the entire municipal staff including section 56 and 57 of MSA employees (Municipal Manager and Senior Managers reporting directly to the Municipal Manager).

During the financial year, no amendments were made in the organogram. However, council approved a new organogram with most of the positions in the old organogram existed in the new organogram and as such no further financial implications were incurred.

The organisational structure was represented by six directorates, being the Municipal Manager, Corporate Services, Community Services and Social Development, Financial Services, Strategy, Economic Development and Planning, as well as Infrastructure and Services Directorates. The Executive and Council form part of Corporate Services Directorate, with Chief of Staff heading administration in these offices.

Description	30 June 2016	30 June 2015	30 June 2014
Employee costs actual	600 873 547	463 015 266	474 749 079
Employee costs as % of Operational Expenditure	35,67%	30,65%	33,86%

It can be seen from the table that the spending on employee cost had increased significantly from 2015 to 2016 as a result of the above.

4.8 EMPLOYEE EXPENDITURE TRENDS

The Municipal Council has adopted a new organogram that became effective from 1 January 2015. However, positions that existed in the old organogram are still valid in the new organogram and posts that became redundant will be abolished as they become vacant. Where necessary, it is expected that the job content may be amended to reflect the new needs based on the departmental needs as these had informed the organogram.

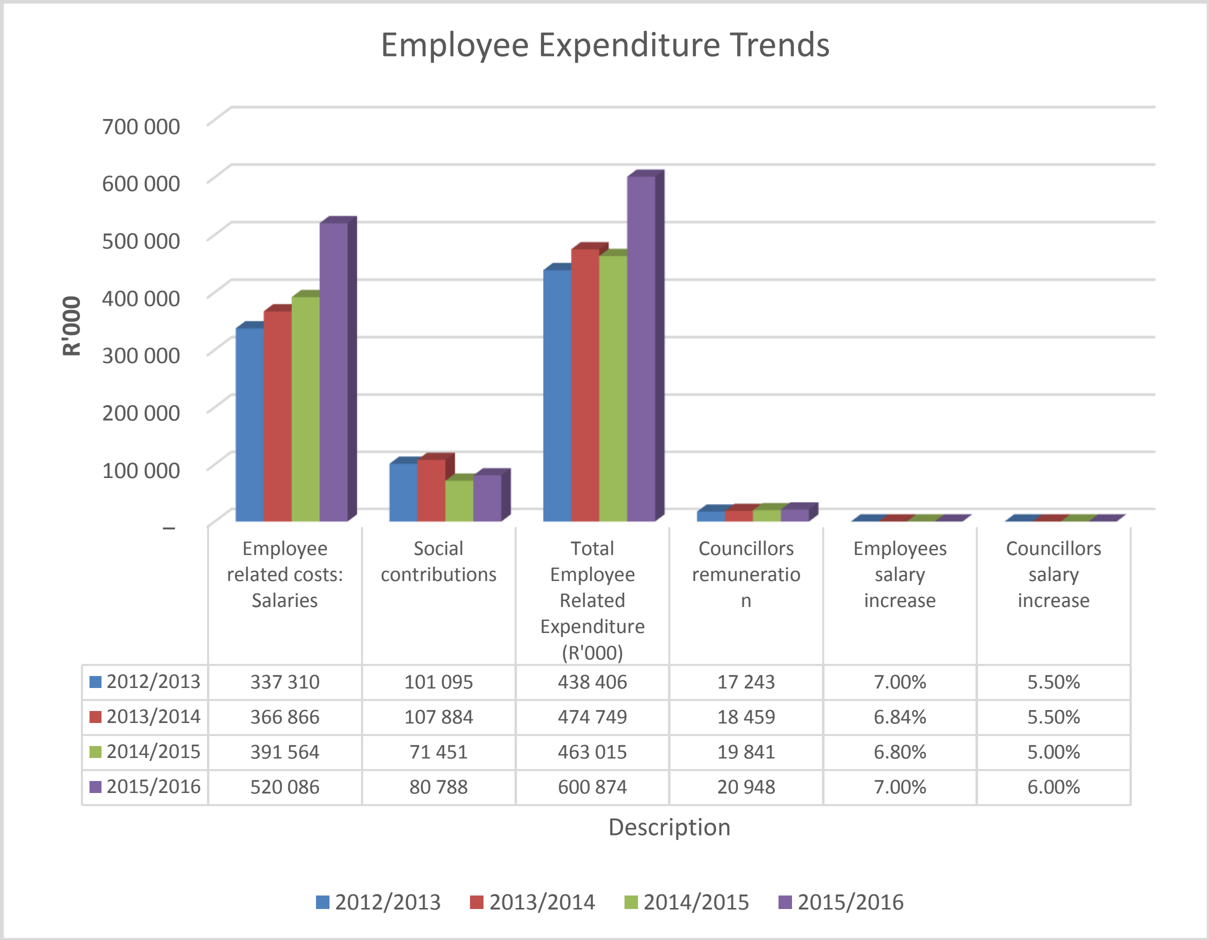
Linked to this is the remuneration system which has also been adopted by Council so as to ensure that the remuneration packages offered are market related. The Tuned Assessment of Skills and Knowledge (TASK) is the remuneration system applicable. As such, Council has

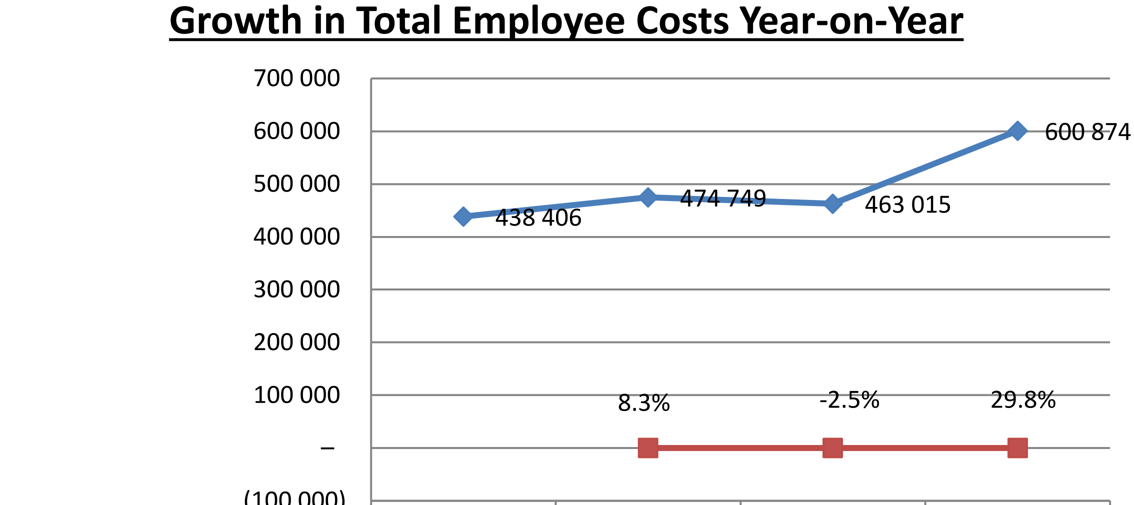
approved a policy which also established an Appeals Committee in this regard. The appeals committee serve as the final arbitrator where disagreements exists with regard to Job Evaluation process. In terms of the Government Gazette, the Council approves cost to company of all positions.

The municipality offers various benefits which are consistent for each level of remuneration. However, for positions without travel allowance as part of the package, and involve travelling, re-imbursive travel allowance is extended to such employees. This is reviewed regularly, to ensure that the kilometres travelled are within those that were used to determine to this allowance.

Description	2012/2013	2013/2014	2014/2015	2015/2016
	R'000			
Employee related costs: Salaries	337 310	366 866	391 564	513 031
Social contributions	101 095	107 884	71 451	87 843
Total Employee Related Expenditure	**438 406**	**474 749**	**463 015**	**600 874**
Councillors remuneration	17 243	18 459	19 841	20 948
Employees salary increase	6.08%	7.00%	6.80%	6.79%
Councillors salary increase	5.00%	5.50%	5.00%	5.00%

Bar chart reflecting expenditure trend over 2012/2013, 2013/2014, 2014/2015 and 2015/2016.



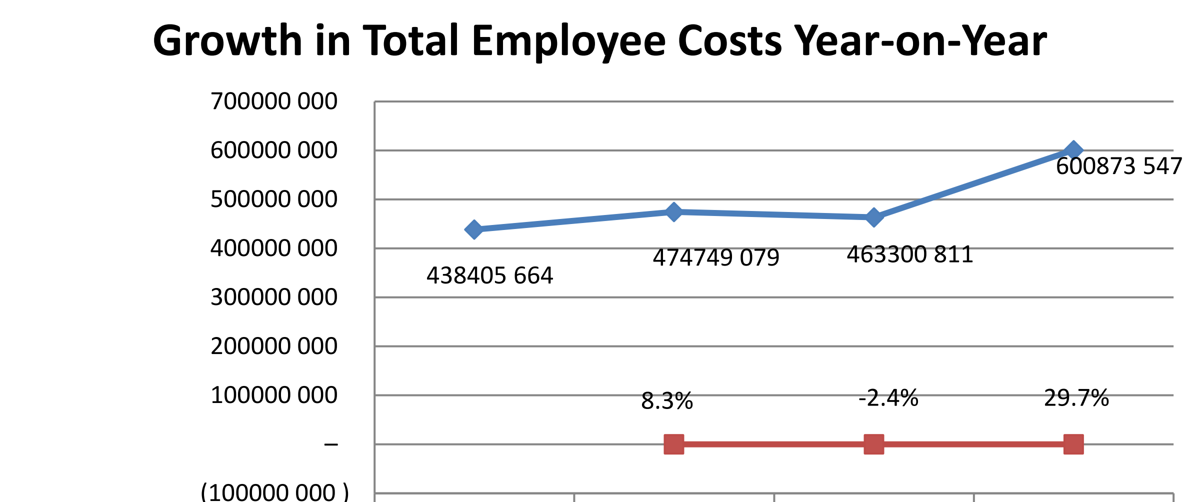


	2012/2013	2013/2014	2014/2015	2015/2016
Total Employee Related Expenditure (R'000)	438 406	474 749	463 015	600 874
% Growth Year-on-Year		8.3%	-2.5%	29.8%

4.8.1 Comment on Employee Expenditure Trends

In terms of National Treasury's Circular 72 (norms and standard ratios for benchmarking), employee costs between 25% to 40% is acceptable depending on the size and services rendered by the municipality. The municipality's own target is 33% employee costs ratio against total operating expenditure. As at 30 June 2016, the employee costs were 37% of the total operating, which is higher than the target.

At the same time, the annual increase for 2015/2016 financial year was average inflation rate as at 6% plus 1.5%. However, the year on year increase is 29,7%. Management needs to put measures to control growth in employee costs above the average annual increase, especially if the number of heads is not changing.



	2012/13	2013/14	2014/15	2015/16
Total Employee Related Expenditure (R'000)	438405 664	474749 079	463300 811	600873 547
% Growth Year-on-Year		8.3%	-2.4%	29.7%

4.8.2 Number of Employees whose salaries were increased due to their positions being upgraded

The municipality does not upgrade positions. The level of positions will change due to the outcome of the Job Evaluation process.

4.8.3 Employees whose salary levels exceed the grade determined by job evaluation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Snr Clerk	2	T6	C1	Position was graded below what employees were currently receiving.
Clerk	3	T5	C1	
Admin Officers: PA	4	T10	C5	
Admin Officers: Informal Trade	2	T10	C5	
General Assistants	26	T3	A3	
Switchboard Operators	2	T5	B3	
Project Manager	1	T11	C5	
Handyman	14	T5	B3	
Snr Clerk	2	T6	B4	
Snr Clerk	6	T6	B3	
Administrator	4	T8	C1	
Liaison Officer	1	T9	C3	
Cashier	12	T5	B2	
Security Guard	4	T6	B1	
Clerk	2	T5	B2	
Artisan: Plumber	1	T10	C3	
Administrator	1	T9	C2	
Engineer	1	T15	E1	
Controller	4	T10	C5	
Admin Officer	3	T9	C3	
Driver Messenger	3	T4	B3	
Snr Admin Officer	1	T11	D5	
Employee Relations Manager	1	T11	D4	

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Snr Clerk	2	T6	C5	
Internal Investigator	1	T11	D3	
Liaison Officer	1	T12	D4	
Head Properties	1	T14	D3	
Project Manager	1	T12	D3	
Mason	1	T6	C1	
Controller: Sanitation	1	T7	C2	
Risk Officer	1	T11	D1	
Communications Officer	1	T11	D1	
Principal Clerk	6	T7	C1	
Clerk	4	T5	B3	
Storeman	1	T4	B1	
Project Manager	1	T11	C5	
SDBIP Officer	1	T11	C5	
Snr Admin Officer	1	T11	C5	
Foreman: Sanitation	1	T11	C5	
Engineering Technician	1	T11	C5	

4.8.4 Employees appointed to posts not approved

We do not have employees who were appointed in positions that are not on the approved staff establishment of the municipality.

4.8.5 Comment on Upgraded Posts and those that are at variance with normal practice

The municipality does not upgrade posts as it is not normal practice.

CHAPTER 5 – FINANCIAL PERFORMANCE

5.0 INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The financial statements of Sol Plaatje Municipality were prepared based on Generally Recognised Accounting Practices (GRAP), Accounting Policies and any other applicable standards as prescribed by the Minister of Finance for Local Authorities. An accrual basis of accounting has been adopted by the municipality and, as at 30 June 2016, there was no plan in place to dispose of a part of the municipality or outsource some if its key functions as outlined in the Constitution of the Republic of South Africa, as such the statements were prepared on a going concern basis.

It has been common practice by the municipality to present the final budget information on the face of the financial statements, however, in the 2016 financial statements, this information has been presented separately as the statement of Comparison of Budget and Actual Amounts as required in terms of GRAP 24.

The municipality has used consultancies for various and specialised work during the year. The table below lists all major consultancy work procured by the municipality.

Name of the firm	Nature of the service	Amount paid (Rands)	Comments
ZAQ	Employee cost valuation	25 000.00	Professional services
Bosch	Landfill site valuation	9 690.00	Professional services
Zuri Concepts	Nelson Mandela Statue	762 711.86	Professional services
Moedi Consulting	Zone Metering	137 427.00	Professional services

Name of the firm	Nature of the service	Amount paid (Rands)	Comments
Altimax	Financial Statement Review		For purposes of the AFS
Andisa Chartered Accountants	Auditing	95 986.06	For purposes of Auditing
Sizwe Ntsaluba Gobodo Incorporated	Auditing		For purposes of Auditing
Morrar Incorporated	Auditing	99 180.00	For purposes of Auditing
Linri Enterprises	Annual Report	409 689.78	For purposes of the Annual Report
Ignite Advisory Services	Performance Management	333 500.16	For monthly reporting and performance assessment
ESRI	IT Consulting	693 467.70	Professional services
Aurecon	Assets	179 804.04	For the purposes of the AFS
Aganang Consulting Engineers	Consulting Services	796 075.38	Professional services
Go Aga Consulting	Lindane Roads project	565 323.15	Professional services
Hegarty Attorneys (YL Hegarty)	Land transgressions	65 000.00	Professional services
Kazia Engineering PTY LTD	Engineering Consultancy Services	150 000.00	Professional services
PJ. Vorster Accountant / Kimprint	Calculation of Director's packages	21 234.00	Professional services
MVD Kalahari Engineers	Professional Consultancy	59 850.00	Professional services
Maxlou Consultants	Consultancy Services	0.00	Professional services
SMEC	Upgrading of Landfill Site	1 829 120.59	Professional services

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

Statements of Revenue Collection Performance by vote and by source are included at **Appendix K**.

This component provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

The municipality performed very well for the year in as far as billing and expenditure control. The 1st of July 2015 marked the implementation of the new General Valuation Roll that will cover a four-year period ending 30 June 2019. The municipality has Municipal Property Rates By-Laws as well as Customer Care, Credit Control and Debt Collection to ensure effective billing and debt collection.

As a result of mSCOA piloting, classification of revenue and expenditure took place in the year and as such restatement of prior year's financials was necessary to ensure comparability and consistency in reporting.

Total revenue billed exceeded the final budget estimates, whilst expenditure was controlled, to align this with the collection and cash flow position of the municipality.

Municipality continued to invest in infrastructure development, refurbishment and upgrades as well as renewal, especially with regards to service delivery related infrastructure assets. Maintenance is as critical to ensure that assets continue to render services with minimal downtime as a result of deferred maintenance. However, it is clear that close monitoring on maintenance is exercised, and avoid underspending.

As part of corporate social responsibility as well as fulfilling the mandate of looking after indigent households, the municipality approved various grants and subsidies to indigent households, organisations, groups and associations in support of ideas and concepts that are aligned with our development goals, tourism and improving living conditions of the people.

NC091 Sol Plaatje - Reconciliation of Table A1 Budget Summary

Description	2015/16								2014/15			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthoris. expenditure	Expend. authorised in terms of section 32 of MFMA	Bal.to be recovered	Restated Audited Outcome
	R'000								R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
Financial Performance												
Property rates	423 808	20 000	443 808	484 397		40 589	109.1%	114.3%				398 921
Service charges	1 019 893	(7 227)	1 012 666	1 004 895		(7 771)	99.2%	98.5%				888 148
Investment revenue	16 000	3 000	19 000	20 996		1 996	110.5%	131.2%				21 165
Transfers recognised - operational	166 787	3 850	170 638	164 215		(6 423)	96.2%	98.5%				168 281
Other own revenue	122 733	25 776	148 509	163 111		14 602	109.8%	132.9%				144 451
Total Revenue (excluding capital transfers and contributions)	**1 749 221**	**45 399**	**1 794 620**	**1 837 613**		**42 993**	**102.4%**	**105.1%**				**1 620 965**
Employee costs	597 254	4 326	601 580	600 874	–	(707)	99.9%	100.6%	–	–	–	463 015
Remuneration of councillors	21 365	0	21 365	20 948	–	(417)	98.0%	98.0%	–	–	–	19 841

Description	2015/16								2014/15			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthoris. expenditure	Expend. authorised in terms of section 32 of MFMA	Bal.to be recovered	Restated Audited Outcome
	R'000								R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
Debt impairment	161 000	–	161 000	159 613	–	(1 387)	99.1%	99.1%	–	–	–	143 165
Depreciation & asset impairment	53 600	–	53 600	57 792	–	4 192	107.8%	107.8%	–	–	–	48 657
Finance charges	29 790	(100)	29 690	29 018	–	(671)	97.7%	97.4%	–	–	–	30 458
Materials and bulk purchases	542 503	56 460	598 963	574 284	–	(24 679)	95.9%	105.9%	–	–	–	551 946
Transfers and grants	55 050	1 980	57 030	39 321	–	(17 709)	68.9%	71.4%	–	–	–	58 194
Other expenditure	277 780	(47 193)	230 587	207 526	–	(23 062)	90.0%	74.7%		–	–	195 374
Total Expenditure	**1 738 343**	**15 473**	**1 753 816**	**1 689 376**	**–**	**(64 440)**	**96.3%**	**97.2%**	**–**	**–**	**–**	**1 510 651**
Surplus/(Deficit)	**10 878**	**29 927**	**40 805**	**148 237**		**107 433**	**363.3%**	**1362.7%**				**110 315**
Transfers recognised - capital	64 276	55 937	120 213	111 728		(8 485)	92.9%	173.8%				113 756
Contributions recognised – capital & contributed assets	–	–	–	261		261						3 813
Surplus/(Deficit) after capital transfers & contributions	**75 154**	**85 864**	**161 018**	**260 226**		**99 208**	**161.6%**	**346.3%**				**227 883**
Share of surplus/(deficit) of associate	–	–	–	–		–	-	-				–

Description	2015/16								2014/15			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthoris. expenditure	Expend. authorised in terms of section 32 of MFMA	Bal.to be recovered	Restated Audited Outcome
	R'000								R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
Surplus/(Deficit) for the year	**75 154**	**85 864**	**161 018**	**260 226**		**99 208**	**161.6%**	**346.3%**				**227 883**
Capital expenditure & funds sources												
Capital expenditure	**111 709**	**90 323**	**202 031**	**174 542**		**(27 489)**	**86.4%**	**156.2%**				**197 907**
Transfers recognised - capital	64 276	55 938	120 213	111 728		(8 485)	92.9%	173.8%				113 756
Public contributions & donations	–	–	–	–		–	-	-				–
Borrowing	–	–	–	–		–	-	-				–
Internally generated funds	47 433	33 371	80 805	62 814		(17 990)	77.7%	132.4%				84 151
Total sources of capital funds	**111 709**	**89 309**	**201 018**	**174 542**		**(26 476)**	**86.8%**	**156.2%**				**197 907**
Cash flows												
Net cash from (used) operating	132 479	40 738	173 217	169 185		(4 033)	97.7%	127.7%				181 911
Net cash from (used) investing	(111 709)	(89 309)	(201 018)	(174 542)		26 475	86.8%	156.2%				(197 907)
Net cash from (used) financing	(10 878)	–	(10 878)	(10 824)		54	99.5%	99.5%				(13 747)

Description	2015/16								2014/15			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthoris. expenditure	Expend. authorised in terms of section 32 of MFMA	Bal.to be recovered	Restated Audited Outcome
	R'000								R'000			
	1	2	3	4	5	6	7	8	9	10	11	12
Cash/cash equivalents at the year end	224 384	–	236 779	259 275		22 497	109.5%	115.5%				275 457

From the cash flow perspective, the cash and cash equivalents year on year had decreases as a result of lower than anticipated collection rate. Based on the revised budget for 2015/2016, the actual exceeded the final budget by 9.5%. However, for the municipality to run effectively, being liquid and sustainable in the foreseeable future, a three months cost coverage is ideal. A two months' coverage was achieved in this regard. A strategy had since been put in place to improve collections and indigent management services.

5.1.2 Financial performance of operational services

Financial Performance of Operational Services						
Description	2014/2015	2015/2016			Year 2015/2016 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000					
Operating Cost						
Water	183 528	195 181	196 681	189 422	-3%	-4%
Waste Water (Sanitation)	54 075	55 315	61 750	62 977	10%	2%
Electricity	499 206	589 328	589 328	558 289	-2%	-2%
Waste Management	48 654	49 728	49 728	47 075	-5%	-5%
Housing	22 332	21 797	21 797	24 394	12%	12%
Component A: sub-total	**807 795**	**911 349**	**917 350**	**882 157**	**-1%**	**-2%**
Waste Water (Storm water Drainage)						
Roads	37 279	32 500	36 500	37 088	14%	2%
Transport	21 697	48 523	26 464	21 697	-55%	-18%
Component B: sub-total	**58 786**	**81 023**	**62 964**	**58 786**	**-14%**	**-7%**
Planning	23 941	13 216	24 454	23 941	81%	-2%
Local Economic Development	11 400	17 097	12 982	13 912	-19%	7%
Component B: sub-total	**35 341**	**30 313**	**37 437**	**37 852**	**25%**	**1%**
Component C: sub-total	**–**	**–**	**–**	**–**		
Community & Social Services	65 714	75 318	74 419	70 201	-7%	-6%
Environmental Protection						
Health	16 725	20 208	20 208	21 050	4%	4%
Security and Safety	41 396	51 465	51 465	45 279	-12%	-12%
Sport and Recreation	41 741	44 245	45 848	47 017	6%	3%
Corporate Policy Offices and Other	443 153	558 956	563 390	527 035	-6%	-6%
Component D: sub-total	**608 730**	**750 192**	**755 329**	**710 581**	**-5%**	**-6%**
Total Expenditure	**1 510 651**	**1 738 343**	**1 753 816**	**1 689 376**	**-3%**	**-4%**

5.1.3 Comment on Financial Performance

The municipality renders trading and rates related services. Trading services are provided at cost recovery tariff structure with cross subsidisation and contributions to the rates funded services in line with the Budget Policy of the municipality. The major revenue source for the municipality remained electricity, followed by revenue from rates and taxes.

The major cost drivers for various services ranges between bulk purchases costs and/or employee costs. Close monitoring of major cost drivers per function are monitored to ensure that no over-expenditure takes of which management is not aware.

From the budget benchmark exercise conducted by National Treasury, management assumptions and budgeting principles are sound, as variances are always insignificant when comparing budgeted against the actual. Reports from National Treasury had been consistent over the last three years and had concluded that the budget is relevant, credible and funded, with a planned surplus annually which is targeted as contribution to fund capital and major maintenance of infrastructure. As a result of this, the municipality has contributed more than R250 million from own funds to boost capital budget.

5.2 GRANTS

The following grants were gazetted and transferred to the municipality:

5.2.1 Grant Performance

Description	2014/2015	2015/2016			2015/2016 Variance	
	Actual	Budget	Adjust. Budget	Actual	Original Budget	Adjust. Budget
	R'000				(%)	
Operating Transfers and Grants						
National Government	**156 604**	**154 349**	**154 349**	**154 635**	**0.19%**	**0.19%**
Equitable share	145 440	143 335	143 335	143 335	0.00%	0.00%
Financial Management Grant	1 600	1 600	1 600	1 600	0.00%	0.00%
Municipal Systems Improvement	934	930	930	930	0.00%	0.00%
Expanded Public Works	5 330	4 984	4 984	4 984	0.00%	0.00%
Infrastructure Skills Development Grant (ISDG)	3 300	3 500	3 500	3 786	8.17%	8.17%
Department of Water Affairs						
Provincial Government	**7 372**	**10 735**	**10 585**	**6 609**	**-38.4%**	**-37.6%**
Health subsidy	2 809	2 978	2 978		-100.0%	-100.0%
Library Services	4 563	7 757	7 253	6 609	-14.8%	-8.9%
COGHSTA						
Subsidy Resort			354			
Other Grants	–					
District Municipality	**2 761**	**–**	**4 000**	**1 599**		**-60.0%**
Frances Baard District Municipality	2 761		4 000	1 599		-60.0%
Other grant providers	**1 544**	**1 703**	**1 703**	**1 372**	**-19.5%**	**-19.5%**
MIG Operational	1 544	1 703	1 703		-100.0%	-100.0%
Miscellaneous				1 372		
Other Donations						
Total Operating Transfers and Grants	**168 281**	**166 787**	**170 637**	**164 215**	**-1.5%**	**-3.8%**

COMMENT ON OPERATING TRANSFERS AND GRANTS

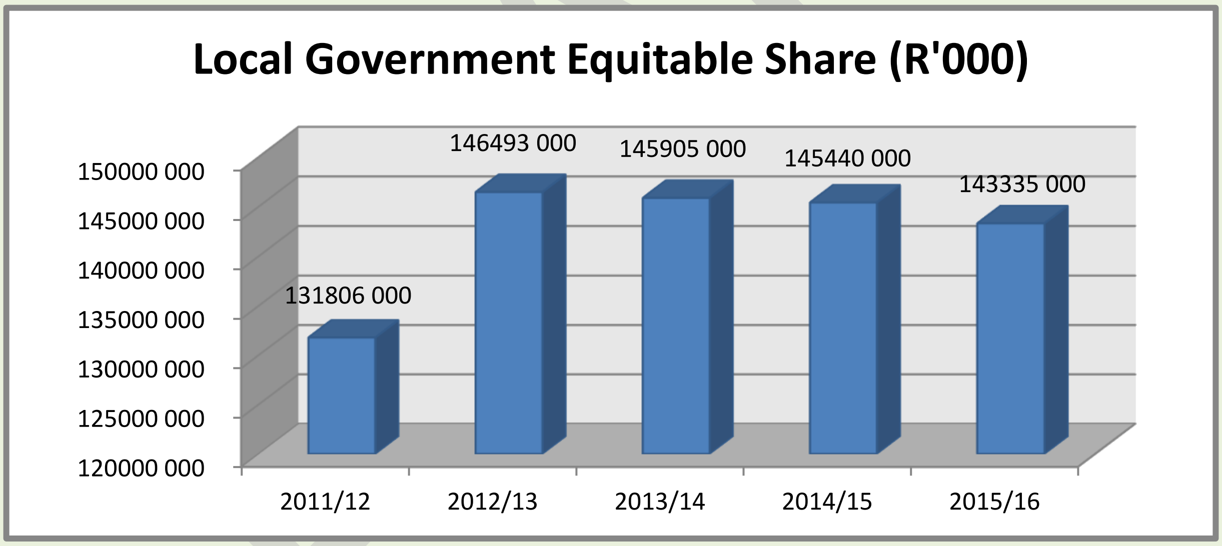
The municipality received various grants and subsidies as per the table above to fund some of its operations. Operating grants are about 8% of the total revenue funding the operational activities, which is an indication that the municipality is mainly self-funded. All grants are gazetted in either the National Gazette, the Division of Revenue Act as well as in the Provincial Gazette. Grants from the district municipality are approved together with the budget and are communicated through written correspondence.

The municipality is providing Primary Health Services and as such received provincial grant to this effect. The grant received is far less than the costs of providing the services. The shortfall is funded from rates income of the municipality.

The Department of Sports, Arts and Culture also allocates grant to the municipality for the provision of library services across the city, with special focus on infrastructure and other assets (books etc.).

Grants received during the year were below the final budget estimates by 3.8%.

Depiction of year-on-year increase/(decrease) in Equitable Share



The graph above indicates the trends in equitable share allocations for the last five years, which has been in the decline. National Treasury reviewed the equitable share, and the new formula became effective on 1 March 2012. Equitable share is utilised mainly to subsidies free basic services as per the indigent polciy of the municipality. The indigent register had almost 14 000 households regsited and benefitting for the financial year ended 30 June 2016 againt a target of 12 000 houseolds. This is an indication that the below target GDP growth impacts on job creation and sustainability.

INFRASTUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

Unemployed Graduates Programme: funded by the Infrastructure Skills Development Grant of National Treasury

This year Sol Plaatje Municipality was rated as one of the 6 top performing municipalities out of the eighteen municipalities in the country who are part of a National Treasury pilot project to professionalise Unemployed Graduates. In this time ten out of fifteen interns, 66%, have become professionalised. The areas of professionalization are: two in Town Planning and eight as Artisans. From this one can see that Sol Plaatje Municipality is serious about skills transfer in enabling it to achieve its strategic goals in the long term.

The Municipality is still faced with several challenges with regard to infrastructure management, bulk infrastructure capacity shortage, poor water quality and compromised basic service delivery resulting from the shortage of technical skills. This Infrastructure Skills Development Grant project is intended to professionalise interns in areas where there is a lack of manpower and professionalised skills to assist the municipality to improve on service delivery.

The project started in earnest on January 2013 and to date R12 496 799 has been utilised for the project to professionalise fifteen interns. After months of hard work this year ten interns successfully completed the goal of becoming professionals. Two of them have been employed elsewhere and two have been absorbed into the municipality.

Given the Infrastructure challenges, the Municipality fully supports this **Unemployed Graduate Project**. Sol Plaatje Municipality has managed to utilise this pilot project to enhance skills particularly in the area of design and has consequently revived this section – a great asset to the municipality. Other areas where value has been added are: the workshop manufacture and installation of pipes in the inlet works of Riverton and in the Waterworks reservoir; Town planning; Laboratory; Civil (Roads and Sanitation); and Electrical projects. Sol Plaatje will attempt to employ these professionalised graduates in vacant posts to comply with the relevant legislation.

Since appointment all interns have been registered under the relevant professional body and have really developed well over the past year. Thus far the following interns have been contractually appointed:

- Two Town Planners: TK Manoko; and LM Madubu.
- Two Civil Technicians: RO Comakae; and GD Kannemeyer.
- One Civil Technologist: JM Khosa.
- One Electrical Technician: NB Zwane.

- One Laboratory Assistant: IN Mokgobo.
- Four Boiler Makers: S Phinz; SW Clouts; OT Mothibi; and MRC Seleke.
- Four Fitter and Turners: BJ Moseki; D Cornellissen; CA Chetty; and K Motlhatlhedi.

All interns have individualised personal development plans and receive the required training. They work under the supervision of qualified supervisors and registered mentors. The mentors that have been selected for the project include: Craig Marsh (Fitters and Turners); Marcel Arthur (Boiler makers); Henri Marais (Town Planners); Jan Viljoen (Civil Engineering); and Roelof Coertze (Electrical Engineer).

CHALLENGES AND SOLUTIONS

As this is a pilot programme there have been challenges and some of these matters prevented us from reaching the twenty recruits that were initially planned. For example:

- The lack of professional bodies for certain fields of scarce skills (e.g. Property Developers; Building Controllers; etc.)
- The shortage of engineering graduates in this region
- The delay in the approval of the roll-over hampered effective spending patterns. This resulted in the budget and the business plan having to be revised
- The disparity of stipends per field across the entire project was resolved and implemented
- The initial period of the contract had to be extended for the ECSA candidates to gain sufficient work exposure
- Several female candidates on merit, however only two have accepted the positions; and
- Interns from other areas found it hard to adjust to the cultures and local languages that are spoken in this region. Some interns really experienced difficulty in settling down in Kimberley.

Overall it has been a privilege to have been part of this project thus far. The interns have developed amazingly during the past year and have really added much value to their sections.

Highlights of the past year definitely include: The Professionalization of ten interns; the enhanced skills particularly in the area of Design that has consequently revived this section; the manufacture and installation of pipes in the inlet works of Riverton and at the Waterworks reservoir; and good progress that was made with the project.

Sol Plaatje Municipality has truly benefited as has the community of Kimberley.

THE EXPANDED PUBLIC WORKS PROGRAMME INCENTIVE GRANT

The Expanded Public Works Programme (EPWP) is a government strategy to reduce poverty and unemployment. EPWP involves creating work opportunities for the unemployed through maximising job opportunities within projects. In support of this Sol Plaatje Municipality (SPM) has adopted the strategy and is implementing it through its maintenance and capital programmes. This includes work done in-house and work contracted out to service providers.

The municipality has signed an agreement with the National Department of Public Works for the implementation of EPWP incentive grant within the municipality. The total budget allocation for 2015/2016 is a total amount of R4 984 000, and 133 Full Time Equivalent (FTE) was targeted performance. The FTEs must be created within the Infrastructure, Environment, Culture and Social EPWP programmes/projects for the 2015/2016 financial year.

SPM has so far been steadfast in the implementation of EPWP and is still perhaps the best performer within the province. The main challenge thus far is the decreasing incentive grant over the years and ensuring the sustainability of jobs created through the programme.

At the end of the financial year funds were fully spent on various projects. The municipality had to counter-fund the projects by approximately R9 million in order to ensure continuation of the project.

The following projects were embarked on during 2015/2016:

	Project Name
1	Sol Plaatje Cleaning & Greening Project 1
2	W&S Replacement of pipes Kimberley
3	Homevale Waste water treatment works
4	Zone Metering

5.2.2 Grants expenditure from sources other than DoRA

Details of Donor	Actual Grant 2014/2015	Actual Grant 2015/2016	2015/2016 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
	R'000					
FBDM	5 996	5 000	–	30 June 2015	N/A	
GURP			–	31 March 2016	N/A	
DWA/RBIG	30 000	5 550	–	31 March 2016	N/A	
TRANSNET			–	N/A	N/A	

Frances Baard District Municipality – Grant

The FBDM allocations are mainly utilised to fund repairs and maintenance related activities, especially with regards to sewer and sanitation. Ritchie Bulk Augmentation and other O and M were funded from this grant.

Accelerated Community Infrastructure Programme (ACIP)

The ACIP is used to fund bulk infrastructure upgrade projects, mainly, the Homevale Waste Water Treatment Plant. This project is nearing completion and will be commissioned in the new financial year.

5.2.3 Comment on Conditional Grants and Grants Received from Other Sources

THE MUNICIPAL INFRASTRUCTURE GRANT (MIG)

Background

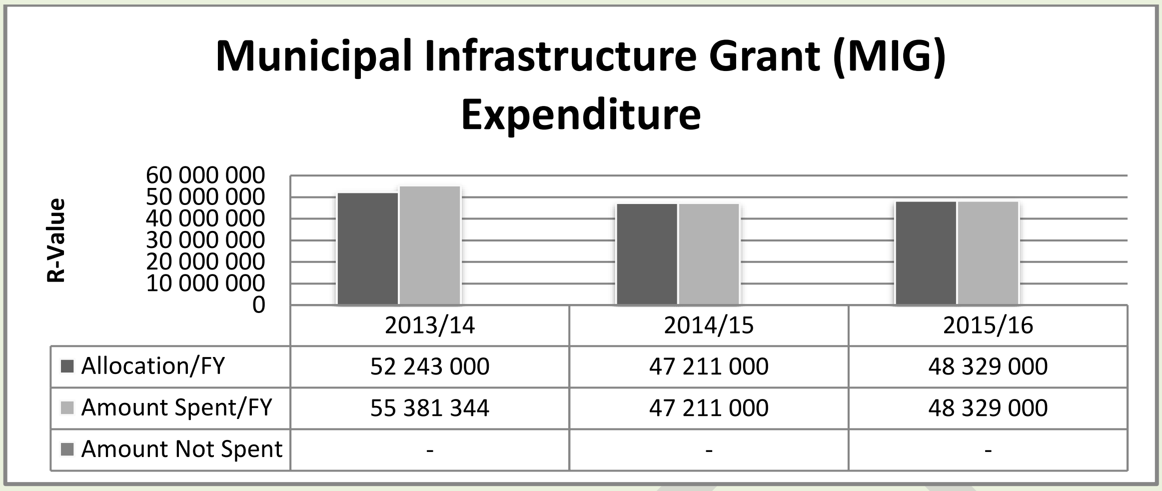
The MIG programme is part of government's overall strategy to eradicate poverty and create a conducive environment for local economic development. It will, therefore, maximise employment opportunities and enterprise development. The programme is also service delivery driven and central to the strategic objectives of the municipality. Municipalities play a central role in co-ordinating developmental activities and the delivery of municipal infrastructure projects within their area of jurisdiction

The entire approach of MIG is focused on improving the capacity, efficiency, effectiveness, accountability and thus sustainable service delivery in local government. Whilst national and provincial government are responsible for creating enabling policies, financial and institutional environment for MIG programmes, municipalities are responsible for planning and implementing municipal infrastructure.

Allocation and Expenditure

Detail	2013/2014	2014/2015	2015/2016
	(Rand)		
Allocation	52 243 000	47 211 000	48 329 000
Amount Spent	55 381 344	47 211 000	48 329 000
Amount Not Spent	0	0	0

Bar Chart depicting Municipal Infrastructure Grant (MIG) Expenditure



COMMENTS

An amount of R48 329 000 was allocated during the financial year 2015/2016 as per Division of Revenue Act (DoRA). The funding allocated to the Municipality was on the following MIG funded projects:

PROJECT NAME
Homevale WWTW Extension
Upgrading of Infrastructure at Kimberley Landfill Site
Riverton New High Lift Pumps
Kimberley Street Lights (70)

NB: The above projects exclude PMU operations that are also funded from the MIG.

CHALLENGES AND REMEDIAL MEASURES

During the financial year under review MIG funding was fully spent with minimum challenges. The challenge remains with the EPWP grant that continues to decline though the municipality's

performance improves. Despite this the municipality remains steadfast in the drive of combating unemployment through programmes such as EPWP and CWP. Interventions are currently made by provincial EPWP to assist the municipality in reporting more work opportunities so that in return it may result in increased allocation.

- Municipalities to register more projects to prepare for the MTREF
- To start project planning at an early stage of the project life cycle, this is vital for the successful spending of the allocation
- The involvement of all relevant stakeholders at planning stage is important; and
- Lack of capacity in project management within municipalities' leads to poor project implementation.

It is recommended that the good relations already established between stakeholders should be sustained and harnessed so as to achieve the objectives of government at all times.

5.3 ASSET MANAGEMENT

5.3.1 Introduction to Asset Management

The implementation of GRAP within the public sector requires of entities to perform a review of useful lives as well as to conduct impairment testing on an annual basis. A direct relationship exists between conditional assessment and the useful life assessment, as the condition of an asset will inform the municipality of its remaining useful life. This exercise was duly completed and the necessary journals to adjust the RUL (Remaining Useful Lives) of the assets was implemented.

National Treasury indicates that the review of useful life is a check to see if there is any evidence to suggest that the expected life should be changed. This evidence could be internal or external.

These factors will provide evidence of an asset's function and capacity/utilisation from which to form an opinion on the condition of the asset (Conditional assessment).

The DPLG Guidelines for infrastructure management suggests this simple generic five-point grading:

Grade	Description	Detailed description	Indicative RUL
1	Very good	Sound structure, well maintained. Only normal maintenance required.	71-100% EUL
2	Good	Serves needs but minor deterioration (< 5%). Minor maintenance required.	46-70% EUL
3	Fair	Marginal, clearly evident deterioration (10-20%). Significant maintenance required.	26-45% EUL
4	Poor	Significant deterioration of structure and/or appearance. Significant impairment of functionality (20-40%). Significant renewal/upgrade required.	11-25% EUL
5	Very poor	Unsound, failed needs reconstruction/replacement (> 50% needs replacement)	0-10% EUL

The guideline furthermore requires that the assessment be:

- cost effective, repeatable and objective
- linked to the expected failure pattern of the specific assets (wherever practicable);
- modelled on performance criteria rather than visual inspection of condition where such is not practicable or inappropriate (e.g. pipelines, power cabling)

Factors considered in deciding on the application of GRAP 21 and GRAP 26

- **Non-cash generating assets:**
    - Loose/Moveable assets
    - Vehicles
    - Storm water
    - Roads
    - Street lights
    - Robots/Signalised intersection

  The above assets do not generate any cash inflows and are largely used in support of service delivery. GRAP 21 will therefore be applied to these assets.

- **Community assets**

  Community assets consist of the following categories:

    - Community land and buildings
        - Civic buildings Community flats/houses/old age homes
        - Clinics
        - Business incubators
        - Parking
        - Public conveniences
        - Taxi ranks
        - Halls

- Parks and gardens
    - Cemeteries
    - Parks
    - Caravan parks
- Recreational facilities
    - Resorts
    - Sports Complex/Stadium
    - Swimming pools

The main purpose of community assets is to deliver a service to the community. Any income received from the use of community assets is regarded as incidental and is insignificant in relation to the total use of the assets.

GRAP 21 will therefore be applied to all community assets.

- **Electricity, Water and Sewerage**

Sol Plaatje Municipality operates an electrical, sewerage and water network consisting of numerous separately identifiable assets. The main objective of operating these networks is to provide a service to the community in terms of the mandate of the entity. However, the municipality generates significant cash flows from these assets whilst exercising its mandate. GRAP 26 tends to imply that even though it may be the intention of management to hold an asset for service delivery purposes, the asset should be classified as a cash generating asset when the asset generates significant market related cash flow which is representative of the risk involved in holding the asset. This is representative of the situation within Sol Plaatje Municipality and implies that the assets within these networks are cash generating assets.

However, the following matters require consideration before classifying the assets as cash generating:

- The electrical, sewerage and water networks consist of various separately identifiable assets. Although certain of these assets may be stand-alone items, they do not function independently, since one component feeds from the output of another. It therefore follows, that the individual assets within the network not operate independently, but rather forms part of a group of assets, being the network, which entails a cash generating unit. Each network, however, then contains further sub-groups of assets which contribute to it achieving its objective (e.g. Electricity – HV Substations, MV Substations and Reticulation).

- The cash flows generated by the assets cannot be attributed to each individual asset or within the sub-groups as mentioned above, but only to each of the networks as a whole.

- It is however, inappropriate to apply this methodology to the entire network; due to the vast constituency thereof, and the unique characteristics of each individual asset e.g. impairment indicators at a high voltage substation may not necessarily indicate impairment of overhead lines or underground cables. An impairment loss may therefore be incorrectly proportioned amongst individual assets within the group and vice versa.

- GRAP 21 will therefore be applied to all these assets, since it will result in the most accurate assessment of impairment.

- **Impairment Approach**

  At 30 June 2016, the National Treasury impairment checklist and asset registers were provided to the various engineers for consideration and feedback.

  Assets were physically inspected and the condition of the assets was updated on the asset register.

  Impairment assessments were also done on all assets, how the EUL is / RUL was reviewed during this period by an external consultant with the internal engineers.

  Where no indicators existed of impairment at year end, no further procedures were performed.

  GRAP 21 should be considered where indicators of impairment exist.

With this as a base the municipality embarked on its annual review of useful lives. Due to the vast nature of our infrastructure assets, a methodology was adopted of reviewing only assets with a remaining useful life of between one to five years. Discussions were held with the relevant operations and maintenance personnel regarding the operating capabilities of these assets. In respect of inaccessible assets such as pipelines, consideration was only given to discussions with the relevant personnel. Instances were noted whereby assets which are considered to have reached the ends of their useful lives and are due for replacement. However, due to financial and capacity considerations these assets are still being used and the approach to these assets was to marginally extend the RULs (by one or two years) to ensure that no assets that were being productively utilised had zero carrying values.

We used the findings from the above exercise to provide a conditional assessment of the assets based on the guidelines from DPLG. The new conditional grading attached to the assets was used to determine the remaining useful life of the assets.

A comprehensive review of all the registers was done during the financial year, followed by extensive consultations with the National Treasury and other relevant stakeholders on the way forward to correct our register where we had some inadequacies and deficiencies.

Furthermore, the exercise yielded discrepancies between the expected useful lives of assets within the same class, hence a correction to the expected useful lives of all assets from the date of unbundling, by applying a standard useful life. Standard useful lives were obtained from the National Treasury Local Government Capital Asset Management Guideline and the DPLG Guidelines for Infrastructure Management.

A comparison was performed between the two guidelines to identify any differences. In certain instances, the DPLG guideline provided an expected useful life greater than those provided for in the Treasury guideline. The useful lives of assets were therefore adjusted to the expected useful lives from the Treasury Guideline and in other instances to the DPLG guideline, where this was possible.

Upon completion of this exercise, certain assets whose age falls outside of the parameters of both these guidelines, the expected useful life for these assets as at the age of 30 June 2012 plus one year additional to provide for depreciation for the current financial year. We applied this approach since the assets are still in use to deliver a service to the constituents in the municipality. However, where some assets fall outside of the parameters of the guidelines and where uncertainty exists regarding its remaining useful life, this approach provides the best management estimate in the absence of a detailed conditional assessment performed.

The municipality has therefore adjusted the useful lives of its infrastructure assets in accordance with the methodology discussed above. Depreciation has been calculated from date of initial recognition of the assets to 30 June 2016 to correct the accuracy of the depreciation calculation. The remaining useful lives of the assets were determined as at 30 June 2016 and correction of error journals were passed through the books adjusting the asset base retrospectively and adjusting the opening balances in respect of the different classes of assets.

HERITAGE ASSETS

Factors considered in deciding on the application of GRAP 103

The Municipality used **GRAP 103** to decide on the appropriate recognition and disclosure of all heritage assets within the Municipality.

The Municipality has identified the following categories of heritage assets.

- Municipal jewellery
- Other antiques and collections

- Antique paintings
- Areas of land of historic or specific significance
- Monuments

RECOGNITION OF HERITAGE ASSETS

GRAP 103-13: A heritage asset shall be recognised as an asset if, and only if:

(a) It is probable that future economic benefits or service potential associated with the asset will flow to the entity, and

(b) The cost or fair value of the asset can be measured reliably.

The municipality has used the paragraphs of GRAP as above in the recognition process of its heritage asset.

During this process the municipality identified assets that do qualify as heritage assets due to the recognition criteria as set out **in GRAP 103-13**. This asset category is set out below.

- Other antiques and collections

GRAP 103-15: The entity uses judgement to assess the degree of certainty attached to the flow of future economic benefits or service potential that are attributable to the heritage asset on the basis of the evidence available at the time of initial recognition.

However during this process the municipality also identified assets that can be classified as heritage assets due to the recognition criteria as set out in GRAP 103-13 and 15 but do not qualify.

- Municipal jewellery
- Antique paintings
- Areas of land of historic or specific significance
- Monuments

These assets are as set out below.

This decision was based on the fact that the municipality could not with certainty attach the flow of future economic benefits or service potential associated with the assets or that the fair value could also not be measured reliably.

By applying **GRAP 103-15** the municipality made this decision.

Disclosure of Heritage Assets

GRAP 103-17: If an entity holds an asset that might be regarded as a heritage asset but which, on initial recognition, does not meet the recognition criteria of a heritage asset because it cannot be reliably measured, relevant and useful information about it shall be disclosed in the notes to the financial statements.

GRAP 103-18: Judgement is required in applying the initial recognition criteria to the specific circumstances surrounding the entity and the asset. If, on initial recognition of a heritage asset, it cannot be reliably measured by the entity, then it should not be recognised as such in the financial statements. Instead, relevant and useful information about the heritage asset, as required in paragraph .93, should be disclosed.

GRAP 103-93: When an entity does not recognise a heritage asset, or a class of heritage assets as a result of reliable measurement not being possible on initial recognition (see paragraph .17), the entity shall disclose the following for each heritage asset or class of heritage assets:

a) A description of the heritage asset or class of heritage assets.

b) The reason why the heritage asset or class of heritage assets could not be measured reliably.

c) On disposal of the heritage asset or class of heritage assets, the compensation received and the amount recognised in the statement of financial performance.

As per **GRAP 103 17, 18, 93** the municipality will disclose the asset that could be reliably measured and which future economic benefits or service potential flow to the municipality is certain on the face of the Statement of Financial Position, and the assets that do not qualify in the notes with the requirements as set out in paragraph 93, hence the amount for heritage assets remain at a nominal amount of R 6 801 944.

COMMUNITY ASSETS

Community Assets are defined as any asset that contributes to the community's well-being. Parks, libraries and fire stations are good examples of the aforementioned.

We did a due diligence exercise/process to work through the Community Asset base to verify all the community assets. The methodology utilised to verify aforementioned properties included the Sol Plaatje Properties GIS viewer which was employed to verify the information.

5.3.2 Treatment of the three largest assets acquired

TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED 2012/2013				
Asset 1				
Name	UPGRADE OF ROADS			
Description	Refurbish and upgrade of the Roads			
Asset Type	Infrastructure			
Key Staff Involved	Directorate Infrastructure & Services			
Staff Responsibilities	Project Management			
Asset Value	**2012/2013**	**2013/2014**	**2014/2015**	**2015/2016**
	9 856 450	46 362 114	44 440 855	15 278 550
Capital Implications	Grant Funding and CRR			
Future Purpose of Asset	To render sufficient service on providing a good road network			
Describe Key Issues	Refurbish and upgrade of the Roads was required to improve the capacity of the city			
Policies in Place to Manage Asset	Asset Management Policy, Asset Management Strategy and Maintenance Plans.			

Asset 2				
Name	HOMEVALE WWTW EXTENSION 15ML			
Description	Upgrade of the Sewerage plant			
Asset Type	Infrastructure			
Key Staff Involved	Directorate Infrastructure & Services			
Staff Responsibilities	Project Management			
Asset Value	**2012/2013**	**2013/2014**	**2014/2015**	**2015/2016**
	22 036 269	56 258 474	34 684 140	51 511 952
Capital Implications	Grant Funding and Loan term loan			
Future Purpose of Asset	To render a sufficient service on waste water treatment			
Describe Key Issues	Increase in capacity required			
Policies in Place to Manage Asset	Asset Management Policy, Asset Management Strategy and Maintenance Plans			

Asset 3				
Name	BULK ZONE METERS			
Description	Providing Services and Monitoring mechanisms to improve service delivery			
Asset Type	Infrastructure			
Key Staff Involved	Directorate Infrastructure & Services			
Staff Responsibilities	Project Management			
Asset Value	**2012/2013**	**2013/2014**	**2014/2015**	**2015/2016**
	4 013 895	11 470 594	8 356 700	8 002 331
Capital Implications	To render sufficient service to an area but also to install monitoring mechanisms to monitor water losses.			
Future Purpose of Asset	To render a sufficient service on water networks			
Describe Key Issues	Provide sufficient service and curb on water losses			
Policies in Place to Manage Asset	Asset Management Policy, Asset Management Strategy and Maintenance Plans			

FLEET REPLACEMENT 2015/2016

An amount of R5,95 million was spent on replacing the old and redundant fleet.

5.3.3 Comment on Asset Management

Asset one

This project was necessitated by the drive to maintain all assets to ensure that the road network remained safe and accessible for all members of the community. These road projects will significantly improve the safety of all road users in the Municipal area. The projects have been developed to maximise return on investment by having the greatest impact on reducing serious casualties and litigation against Council for pothole damage etc.

Asset two

Managing waste water is obviously linked to the management of the entire water cycle. Inadequate waste water management pollutes water bodies that are also important sources for drinking water, fisheries and other services. Therefore, the discharge of waste water, without or with inadequate treatment, involves significant costs, including environmental and social ones.

Waste water management and treatment involves significant benefits (avoided costs). Therefore, the cost of no action may be interpreted as benefits not achieved due to the discharge of the waste water with no or inadequate treatment. In other words, if untreated or inadequately treated waste water is discharged directly into the environment, costs are generated or potential benefits are lost.

Asset three

Integrated Water Meter Management is a great resource for municipalities and will help us make informed decision in metering challenges. This initiative places the basics of water meter management at the fingertips of both professionals and novices alike because it succinctly covers all aspects of meter management from selection, to installation, to operation and maintenance and finally to replacement. This will ultimately assist the municipality to curb water losses and provide a better service for all. This will also bring a level of assurance that the individual customers are metered and pay for the volume of water they use, and the price charged should be sufficient to influence consumers' decisions about water use and to encourage efficiency.

5.3.4 Repair and Maintenance Expenditure 2015/2016

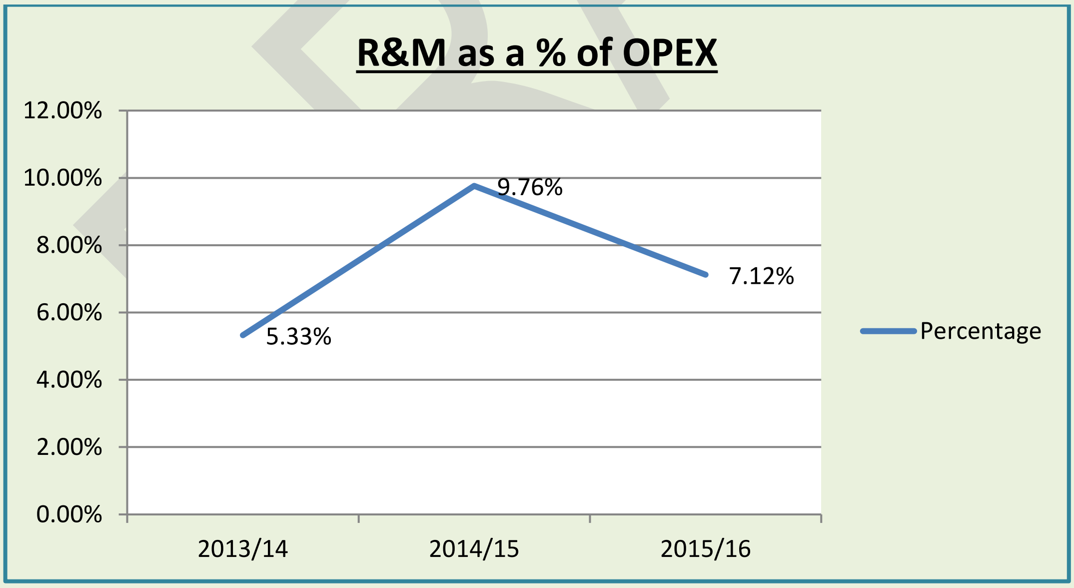
Detail	Original Budget	Adjustment Budget	Actual	Budget variance
	(Rands)			
Repairs and Maintenance Expenditure	81 503 338	136 563 185	120 274 041	-11.93%

5.3.5 Comment on Repair and Maintenance 2015/2016

The municipality has grown the repairs and maintenance over the past three years substantially of budget growth above inflation. A target of 10% of the total operational expenditure budget has been set for the next 2015/2016 MTREF which was achieved to ensure that the asset generating assets continues to do so and increase the level of certainty of service availability is ensured at all times.

5.3.6 Repairs and Maintenance over the past three financial years

Repairs and Maintenance	2013/2014	2014/2015	2015/2016
Actual expenditure Repairs and Maintenance	68 982 052	147 485 771	120 274 041
Gross Expenditure	1 295 310 980	1 510 650 712	1 689 375 763
Percentage	**5.33%**	**9.76%**	**7.12%**



5.3.7 Comment on Repairs and Maintenance Expenditure

The Municipality's objective is to increase the percentage spent on Repairs and Maintenance over the next MTREF periods.

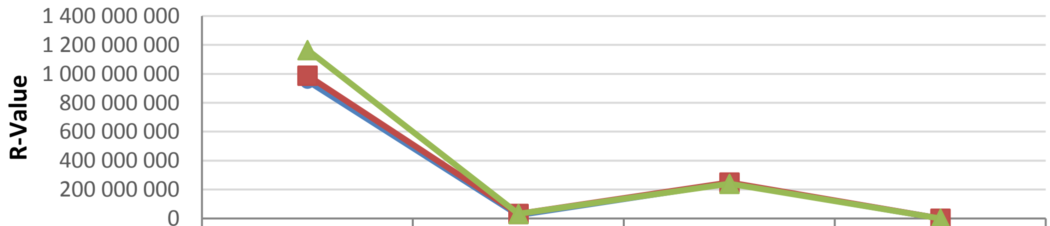
The municipality has grown the repairs and maintenance over the past three years substantially of budget growth above inflation. A target of 10% of the total operational expenditure budget has been set for the next 2015/2016 MTREF which was achieved to ensure that the asset generating assets continues to do so and increase the level of certainty of service availability is ensured at all times.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.4.1 Liquidity Ratio

Liquidity Ratio	30 June 2014	30 June 2015	30 June 2016
Current assets	951 838 015	989 353 602	1 166 357 395
Inventory	23 407 105	32 887 325	32 656 079
Current liabilities	245 852 259	248 389 232	240 760 755
Ratio 1:3 (Ideal)	3.78	3.85	4.71

Graph depicting Liquidity Ratios (Current Assets - Inventory / Current Liabilities)



	Current assets	Inventory	Current liabilities	Ratio 1:3 (Ideal)
30-Jun-14	951 838 015	23 407 105	245 852 259	3.78
30-Jun-15	989 353 602	32 887 325	248 389 232	3.85
30-Jun-16	1 166 357 395	32 656 079	240 760 755	4.71

COMMENT ON LIQUIDITY RATIO

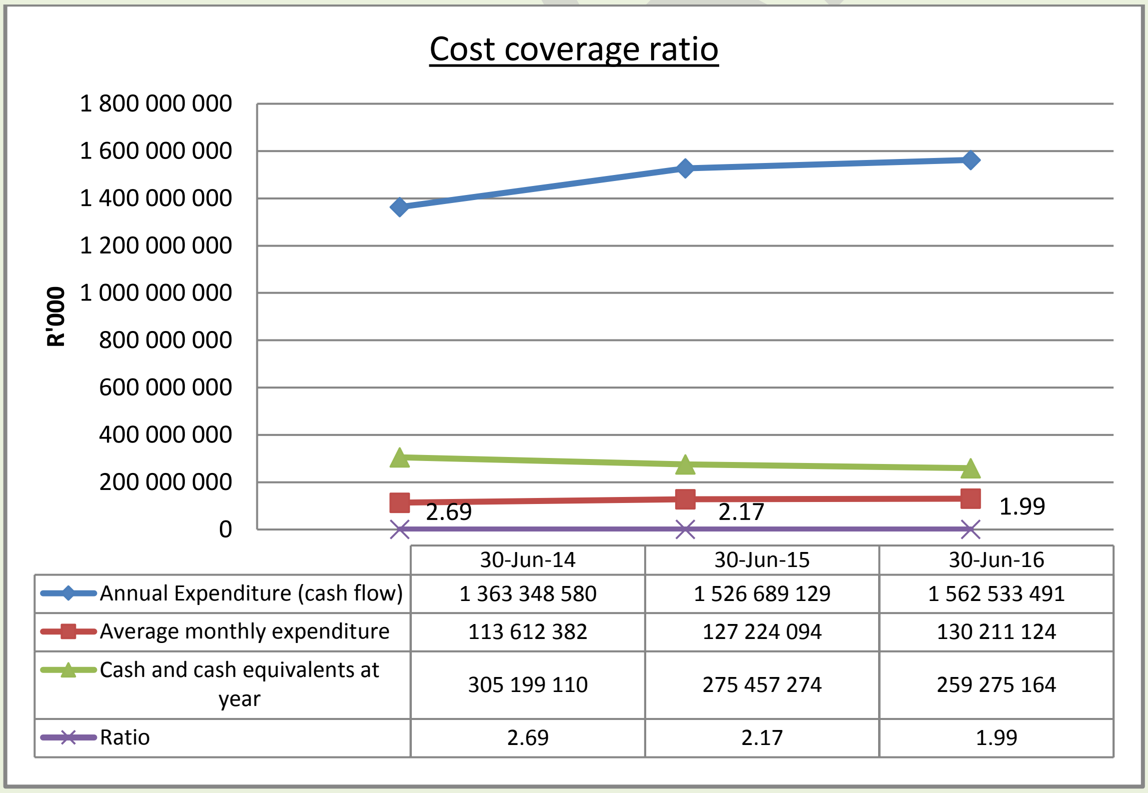
The liquidity ratio of the municipality has improved from the previous financial year, from 3.85 to 4.71, against a National Treasury norm of 1:3, which is very positive. This means that each liability of the municipality is covered 4.71 times by an asset. It further indicates that the municipality is able to meet its short to medium term commitments.

5.4.2 Cost Coverage Ratio

Cost Coverage Ratio	30 June 2014	30 June 2015	30 June 2016
Annual Expenditure (cash flow)	1 363 348 580	1 526 689 129	1 562 533 491
Average monthly expenditure	113 612 382	127 224 094	130 211 124
Cash and cash equivalents at year-end	305 199 110	275 457 274	259 275 164
Ratio	2.69	2.17	1.99

COMMENT ON COST COVERAGE RATIO

The cost coverage ratio of the municipality has declined slightly from the previous year – from 2.17 months' coverage to 1.99 months' coverage. The ratio shows the number of months for which the municipality would be able to fund its monthly expenditure should no revenue be received. The main reason for the decline is the decrease in the cash balance as at year-end.



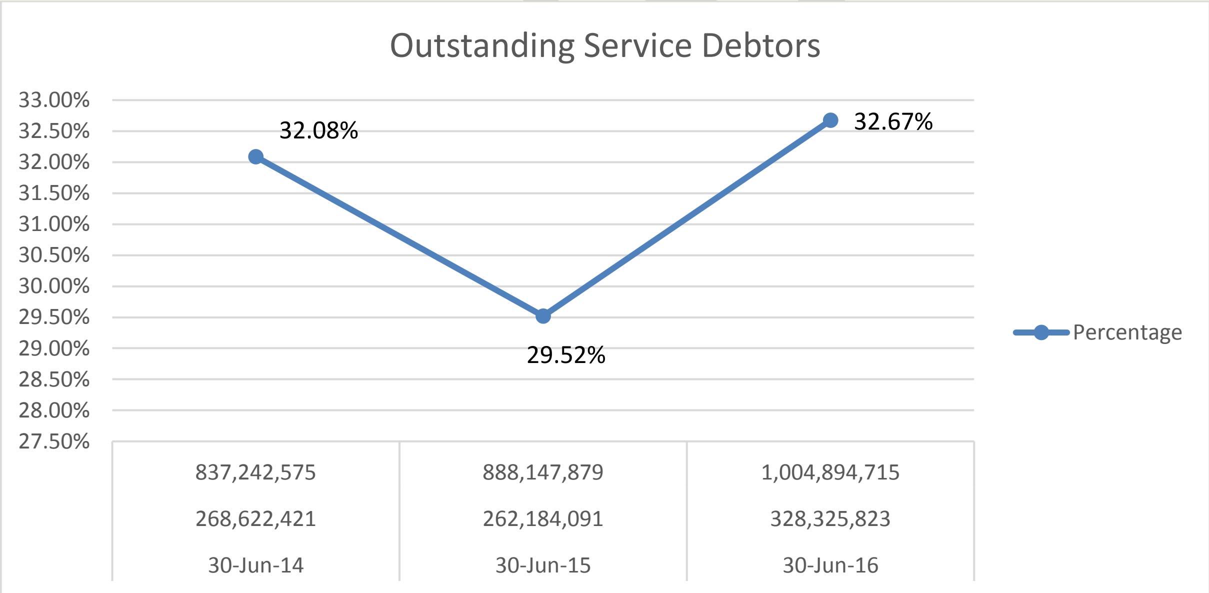
5.4.3 Total outstanding service debtors

Total Outstanding Service Debtors	30 June 2014	30 June 2015	30 June 2016
Outstanding debt	268,622,421	262,184,091	328,325,823
Amount billed	837,242,575	888,147,879	1,004,894,715
Percentage	32.08%	29.52%	32.67%

COMMENT ON TOTAL OUTSTANDING SERVICE DEBTORS

Outstanding service debtors have increased from 29.52% at 30 June 2015, to 33.08% at 30 June 2016. This is a worrying trend and measures need to be put in place to address this risk. Tough economic conditions have largely contributed to the increase in outstanding debtors.

Line Graph depicting Outstanding Debtors as a percentage of billed revenue



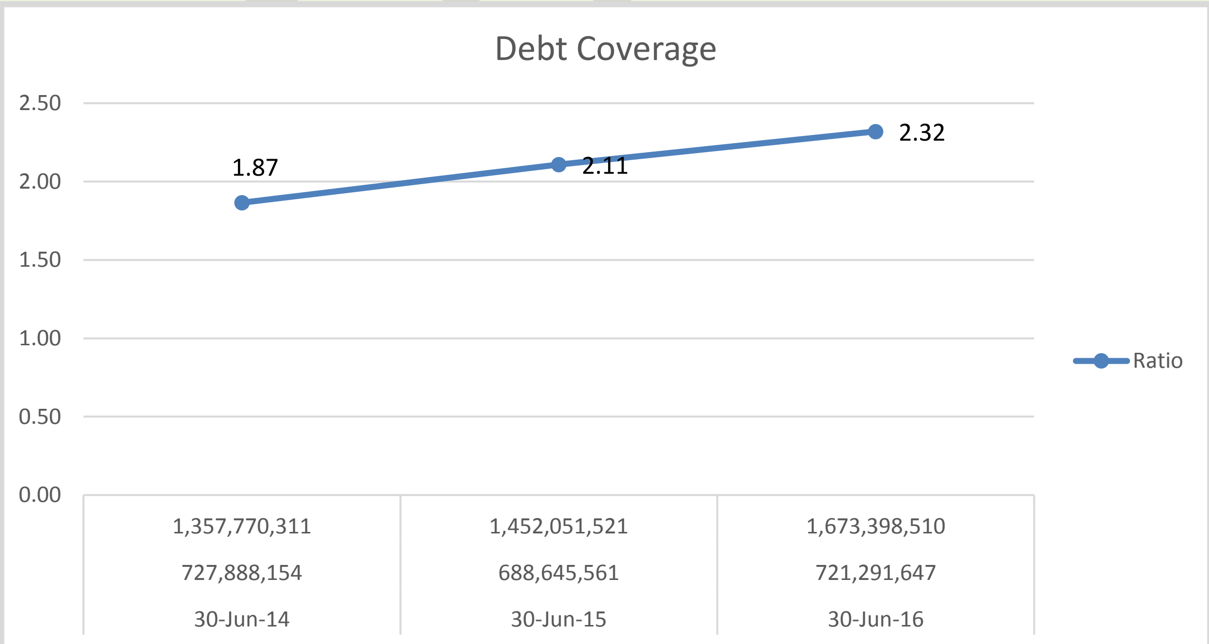
5.4.4 Debt Coverage

Debt Coverage	30 June 2014	30 June 2015	30 June 2016
Total liabilities	727 888 154	688 645 561	721 291 647
Total Own Operating Revenue	1 357 770 311	1 452 051 521	1 673 398 510
Ratio	1.87	2.11	2.32

COMMENT ON DEBT COVERAGE

The debt coverage ratio examines the relationship between the municipality's own generated revenue (revenue excluding grants, subsidies and public contributions received) and the total liabilities of the municipality. This ratio has improved from the previous financial year, mainly due to the fact that no additional long term debt was incurred, whilst the own revenue increased by 15%.

Line Graph depicting Debt Coverage



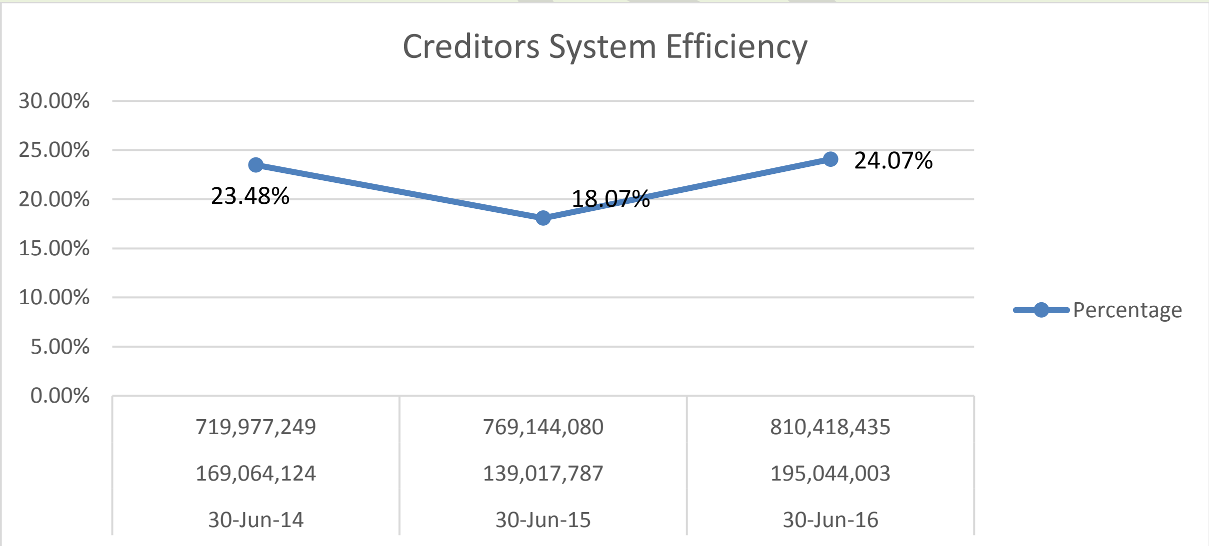
5.4.5 Creditors System Efficiency

Creditors Efficiency	30 June 2014	30 June 2015	30 June 2016
Outstanding creditors	169,064,124	139,017,787	195,044,003
Total credit purchases	719,977,249	769,144,080	810,418,435
Percentage	23.48%	18.07%	24.07%

COMMENT ON CREDITORS SYSTEM EFFICIENCY

The percentage of outstanding creditors as a percentage of the total credit purchases of the municipality has increased for the previous financial year. This is mainly due to large creditors (e.g. ESKOM) that were outstanding at year-end.

Line Graph depicting Creditors Efficiency



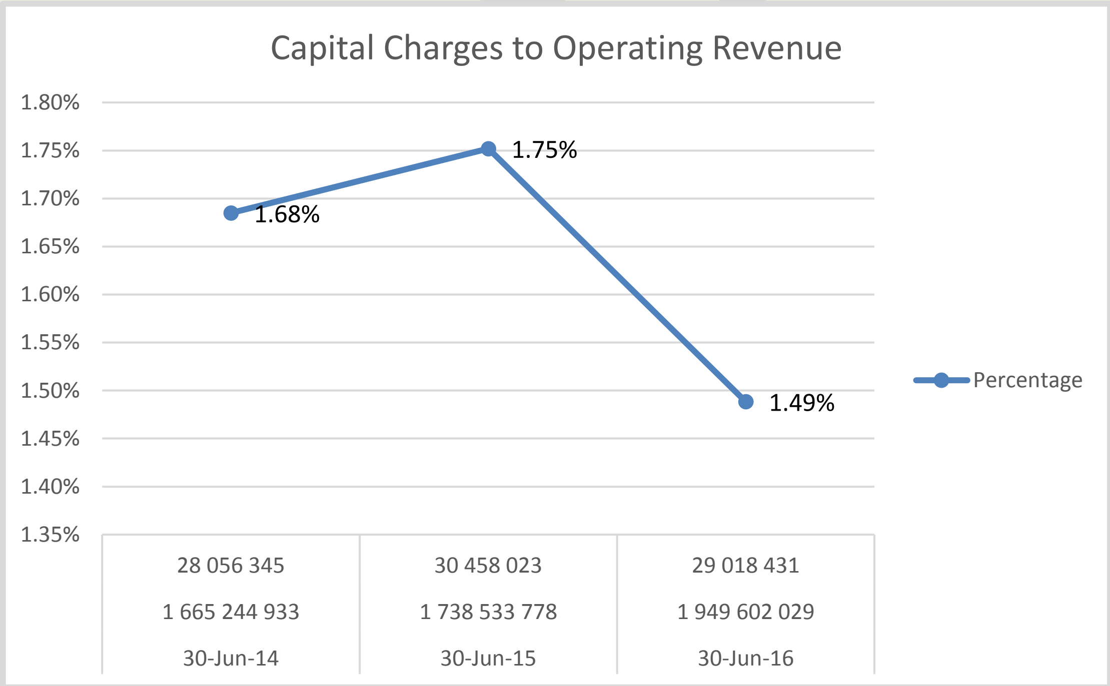
5.4.6 Capital Charges to Operating Revenue

Capital Charges to Operating Revenue	30 June 2014	30 June 2015	30 June 2016
Total revenue	1 665 244 933	1 738 533 780	1 949 602 029
Interest paid on long term borrowings	28 056 345	30 458 023	29 018 431
Percentage	**1.68%**	**1.75%**	**1.49%**

COMMENT ON CAPITAL CHARGES TO OPERATING REVENUE

The interest paid as a percentage of total revenue has decreased from the previous financial year. The main reason for this is that no additional long term financing has been incurred and as such the interest is decreasing proportionately year-on-year.

Line Graph depicting Capital Charges to Operating Revenue



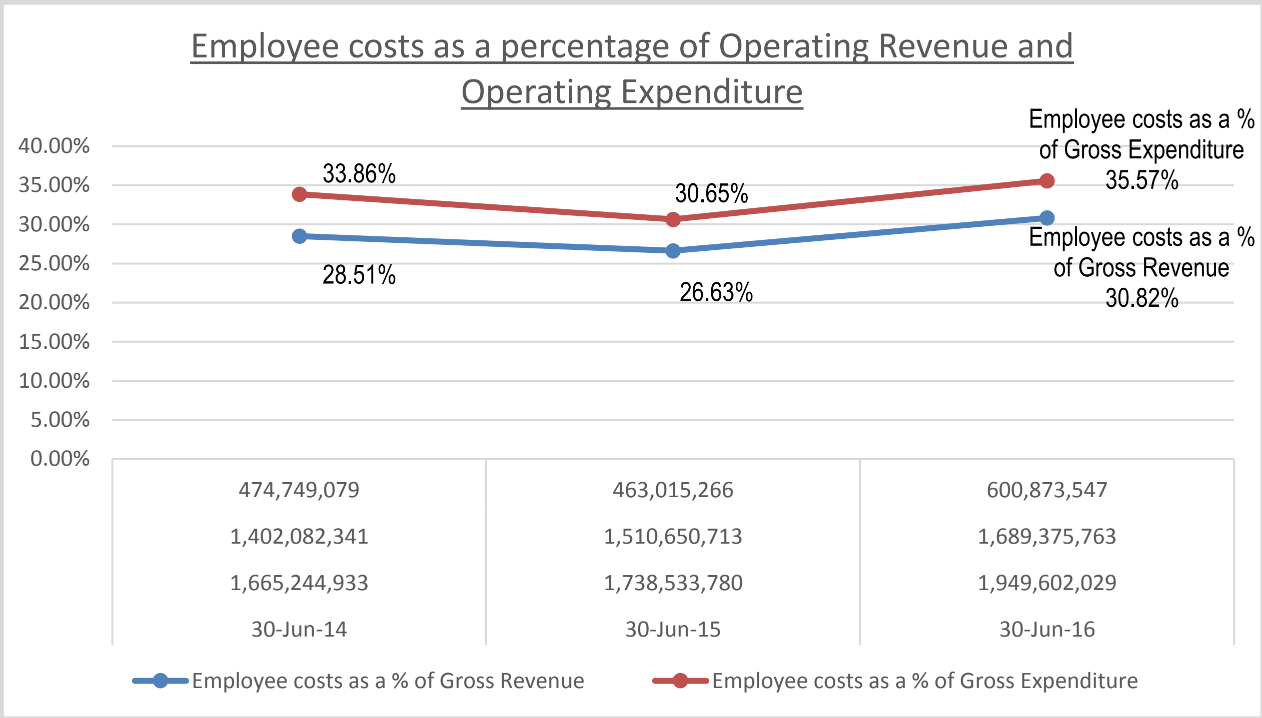
5.4.7 Employee costs

Employee costs	30 June 2014	30 June 2015	30 June 2016
Gross Revenue	1 665 244 933	1 738 533 780	1 949 602 029
Gross Expenditure	1 402 082 341	1 510 650 713	1 689 375 763
Employee costs	474 749 079	463 015 266	600 873 547
Employee costs as a % of Gross Revenue	28.51%	26.63%	30.82%
Employee costs as a % of Gross Expenditure	33.86%	30.65%	35.57%

COMMENT ON EMPLOYEE COSTS

Employee cost as a percentage of total expenditure and total revenue has increased quite noticeably from the previous financial year. The main contributor here is the actuarial loss incurred on the valuation of post-retirement health care benefits for the 2015/2016 financial year. That, together with the back-pay amounts that were paid due to TASK implementation, has resulted in the 5% increase seen in the graph below.

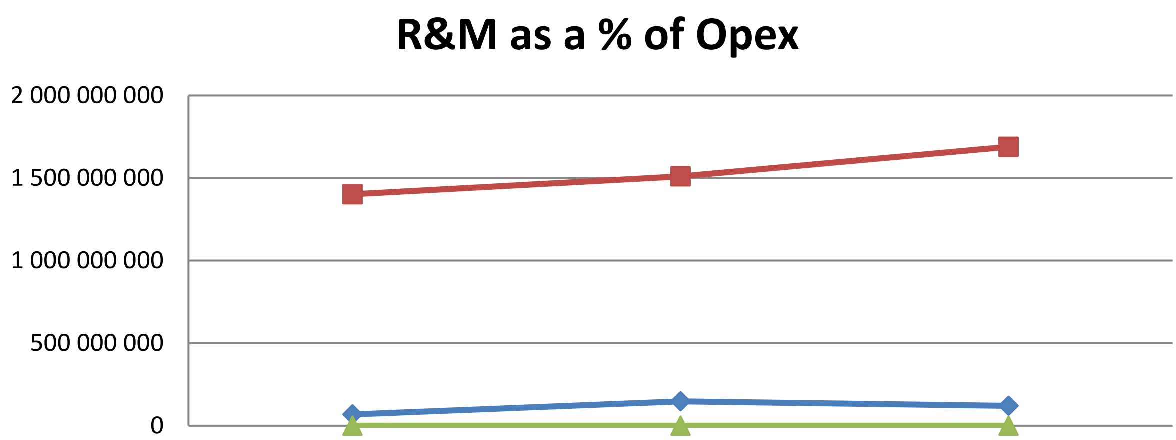
Line Graph depicting Employee Costs as a percentage of Operating Revenue and Operating Expenditure



5.4.8 Repairs and Maintenance

Description	30 June 2014	30 June 2015	30 June 2016
Actual expenditure Repairs and Maintenance	68 421 694	147 485 771	120 274 041
Gross Expenditure	1 402 082 341	1 510 650 713	1 689 375 763
Percentage	**4.88%**	**9.76%**	**7.12%**

Line graph depicting Repairs and Maintenance as a percentage of Operating Expenditure



	30-Jun-14	30-Jun-15	30-Jun-16
Actual expenditure Repairs and Maintenance	68 421 694	147 458 771	120 274 041
Gross Expenditure	1 402 082 341	1 510 650 713	1 689 375 763
Percentage	4.88%	9.76%	7.12%

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

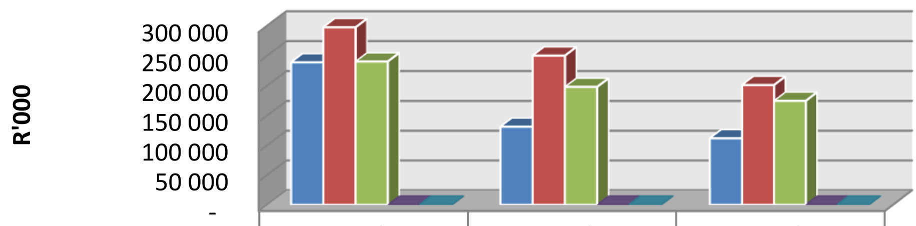
5.5 CAPITAL EXPENDITURE

The 2015/2016 capital budget remained focused in addressing the critical infrastructure needs pertaining to water, sewer, roads, electricity and waste management. As shown in the capital programme, funding for these projects in relation to the overall capital budget show the importance of these programmes.

It remains a huge challenge to secure sufficient funding to augment the allocated budget as to ensure the growth of the city is not inhibited as a result of lack of funding. Infrastructure makes up the bulk of the capital programme accounting for 89% of the allocated budget of R201,018 million. Infrastructure projects were allocated R180,4 million of the total capital programme.

The actual spending as at 30 June 2016 were R174,5 million against the adjustment budget. The related charts shown will further emphasise the importance of the infrastructure projects.

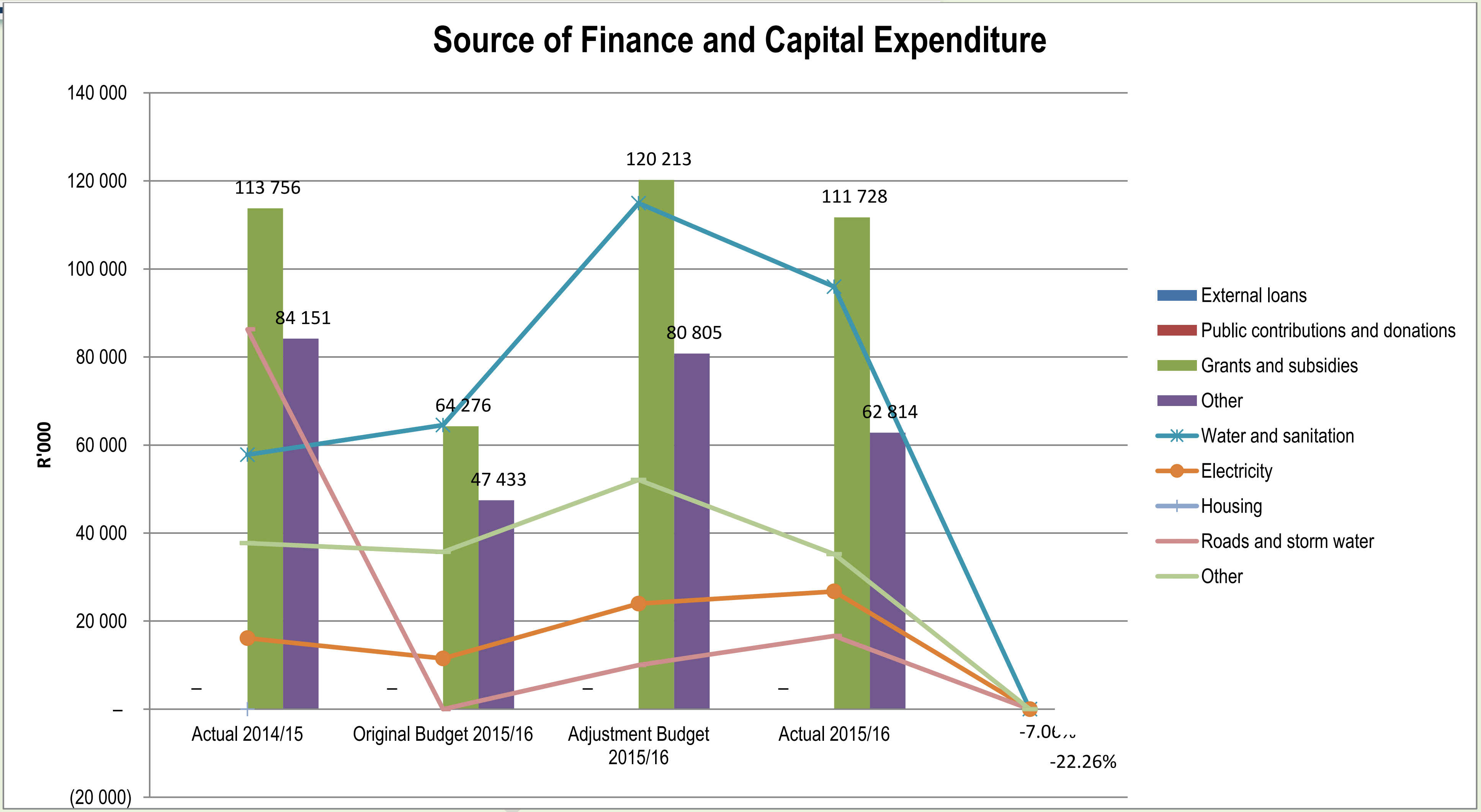
Capital Expenditure



	2013/14	2014/15	2015/16
Original Budget	238 867	131 182	111 709
Adjustment Budget	297 513	250 226	201 018
Actual Spent	240 295	197 907	174 542
Percentage Actual vs Original Budget	100.60%	150.86%	156.25%
Percentage Actual vs Adjustment Budget	80.77%	79.09%	86.83%

5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources: 2014/2015 to 2015/2016						
Details	2014/2015	2015/2016				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
	R' 000				%	
Source of finance						
External loans	–	–	–	–	–	–
Public contributions and donations	–	–	–	–	–	–
Grants and subsidies	113 756	64 276	120 213	111 728	-7.06%	73.83%
Other	84 151	47 433	80 805	62 814	-22.26%	32.43%
Total	**197 907**	**111 709**	**201 018**	**174 542**	**-13.17%**	**56.25%**
Percentage of finance						
External loans	0.0%	0.0%	0.0%	0.0%		
Public contributions and donations	0.0%	0.0%	0.0%	0.0%		
Grants and subsidies	57.5%	57.5%	59.8%	64.0%	53.6%	131.3%
Other	42.5%	42.5%	40.2%	36.0%	169.0%	57.6%
Capital expenditure						
Water and sanitation	57 812	64 513	114 935	95 954	-16.51%	48.74%
Electricity	16 113	11 500	24 000	26 732	11.38%	132.45%
Housing	–					
Roads and storm water	86 269	–	10 000	16 616	66.16%	
Other	37 712	35 696	52 082	35 240	-32.34%	-1.28%
Total	**197 907**	**111 709**	**201 018**	**174 542**	**-13.17%**	**56.25%**
Percentage of expenditure						
Water and sanitation	29.2%	57.8%	57.2%	55.0%	125.4%	86.6%
Electricity	8.1%	10.3%	11.9%	15.3%	-86.4%	235.5%
Housing	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Roads and storm water	43.6%	0.0%	5.0%	9.5%	-502.3%	0.0%
Other	19.1%	32.0%	25.9%	20.2%	245.5%	-2.3%


Source of Finance and Capital Expenditure
R'000
140 000
120 000
100 000
80 000
60 000
40 000
20 000
–
(20 000)
113 756
84 151
64 276
47 433
120 213
80 805
111 728
62 814
Actual 2014/15
Original Budget 2015/16
Adjustment Budget 2015/16
Actual 2015/16
-22.26%
External loans
Public contributions and donations
Grants and subsidies
Other
Water and sanitation
Electricity
Housing
Roads and storm water
Other

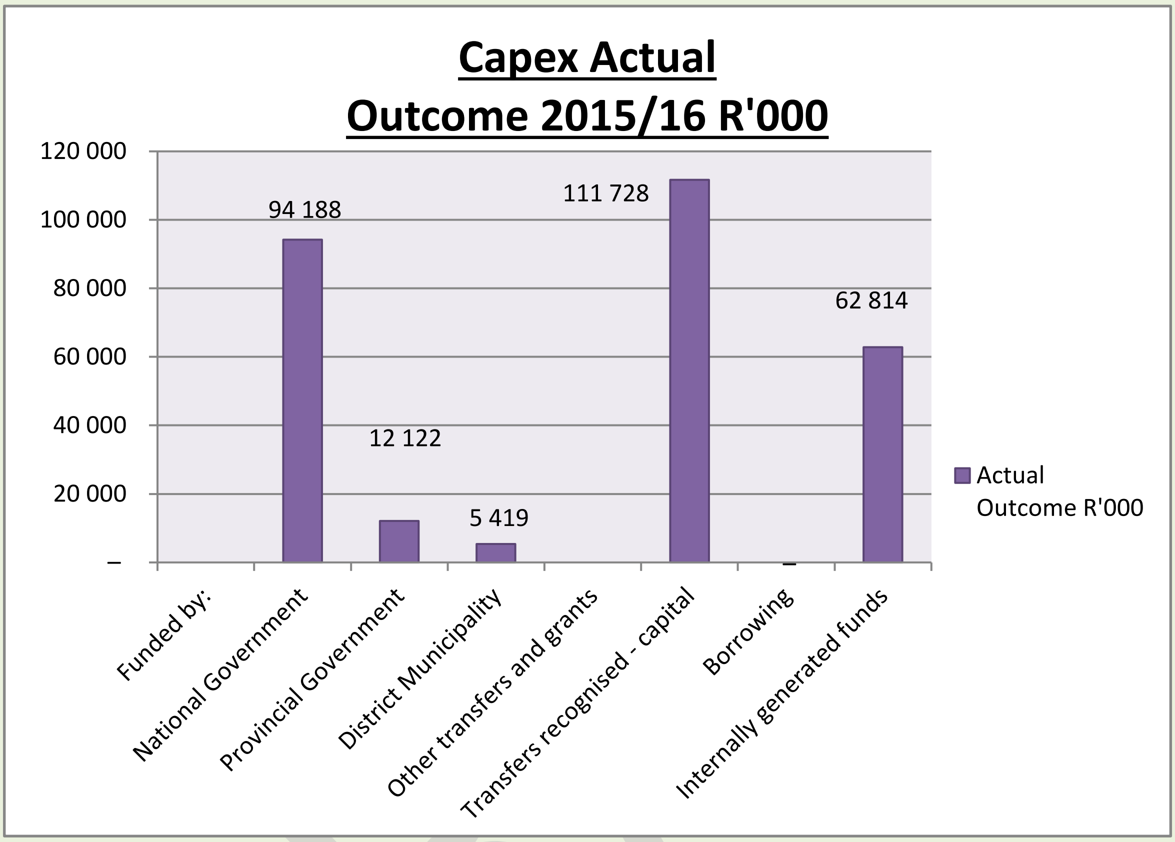
FUNDING THE CAPITAL BUDGET

Total Capital Expenditure - Standard	Original Budget	Total Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome
	R'000			
Funded by:				
National Government	64 276	30 264	94 540	94 188
Provincial Government	–	20 674	20 674	12 122
District Municipality		5 000	5 000	5 419
Other transfers and grants				
Transfers recognised – capital	**64 276**	**55 937**	**120 213**	**111 728**
Public contributions & donations			**–**	**–**
Borrowing				
Internally generated funds	47 433	33 371	80 805	62 814
Total Capital Funding	**111 709**	**89 309**	**201 018**	**174 542**

COMMENT ON SOURCES OF FINANCE

The capital is in the main funded through grant funding augmented by contributions from the capital replacement reserve. It is clear from the above table and graphs that the pressure on the municipality's internal reserves for financing of capital projects is increasing. Grant funding, in turn, is decreasing. As a result, some projects need to be put on hold and implemented when funds become available. This leads to increase funding needed as cost escalates to a level where the new cost estimates exceed the original cost for the projects. This in turn can lead to further delays in implementation.This trend necessitates careful consideration and prioritisation in terms of capital projects. It further indicates that innovative strategies are needed to enhance the revenue of the municipality in order to maintain the required level of reserves.

Bar chart depicting Capex Actual Outcome 2015/2016 (R'000)



5.7 CAPITAL SPENDING ON FIVE LARGEST PROJECTS

Capital Projects	2015/2016				
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment Variance
				%	
A Homevale Waste Water Treatment Plant	43 053 000	56 640 000	48 297 000	12%	-15%
B Replacement of High Lift Pumps Riverton	1 000 000	14 274 000	12 902 000	1190%	-100%
C Kimberley Bulk Water Line	0	11 982 000	11 882 200		-1%
D Resealing of Roads	0	10 000 000	10 835 000		8%
E Upgrade Landfill Site	12 885 424	10 607 445	9 906 000	-27%	-11%

Name of Project – A	Homevale Waste Water Treatment Plant
Objective of Project	Increase the capacity of the current treatment works for future growth and development of the city
Delays	Unantiicipated delays due to phases that took period of time longer than anticipated
Future Challenges	None identified
Anticipated citizen benefits	The facility has the capacity to handle 15ML a day sewer treatment, this will enable the municipality to be able to consider various developments in and around the city. The project is also critical for the construction and development of Lerato Park with more than 4 000 houses to be developed.
Name of Project – B	**Installation of High Lift Pumps – Riverton**
Objective of Project	Modernisation of the pump station, ensuring certainty of water for the residents of Sol Plaatje Local Municipality
Delays	Construction of pump house which was not thought of at the conceptualisation of upgrade of the pumps at the current plant in Riverton
Future Challenges	Pumps are highly modern and staff training will be critical to ensure that they are able to operate and maintain the pumps
Anticipated citizen benefits	Certainty water

Name of Project – C	Kimberley Bulk Water Line
Objective of Project	Upgrade the existing bulk water line from Riverton to Waterworks in Kimberley
Delays	None
Future Challenges	None
Anticipated citizen benefits	Certainty of water due to reduction of pipe burst incidences, reduction of water losses and directly influencing the water tariffs in the medium to long-term range of planning and budgeting.
Name of Project – D	**Resealing of roads**
Objective of Project	Upgrade and refurbish major roads within the CBD
Delays	None
Future Challenges	None
Anticipated citizen benefits	Roads directly link with investment attraction, and as such the impact will eventually lead to job creation
Name of Project – E	**Upgrade of Landfill Site**
Objective of Project	Extend the lifespan of the landfill site, comply with environmental act
Delays	The tender outcomes indicated higher budget than anticipated, as such an application for budget maintenance to the MIG Office had to be authorised first, and the project is implemented in phases
Future Challenges	Vandalism of infrastructure
Anticipated citizen benefits	Waste management capabilities of the municipality

COMMENT ON CAPITAL PROJECTS

The Homevale Waste Water Treatment Works, the roads resealing project, the Kimberley Bulk Water Line, the replacement of High Lift Pumps and the upgrade of the Landfill Site will remain an integral part of the Capital and IDP for years to come.

These projects are the epitome of the capital programme and the will be for the foreseeable future as they are part of the entire growth and development programme of the Municipality.

The capital projects per ward are depicted in the following table:

Capital Project per ward: 2015/2016							
Capital Project	**Original Budget**	**Adjustment Budget**	**Actual**	**Variance (Act - Adj)**	**Variance (Act - OB)**	**Physical Progress**	**Wards**
	R' 000			**%**			
Water							
Water Zone Metering	3 000	10 500	8 357	-7%	179%	100%	All
Replacement of Water meters	4 000	4 000	2 524	-37%	-37%	100%	All
Kimberley Bulk Water Line	–	8 300	8 809	-26%		100%	All
Riverton Replacement of High Lift Pumps	1 000	14 274	12 902	-10%		100%	16
Ritchie Bulk Water Line	6 460	8 000	5 408	-32%	-16%		39
Homevale Laboratory	–	500	496	-1%			3
Kagisho Retention Dam	–	2 000	1 889	-6%			24
Sanitation/Sewerage							
Homevale WWTW Extension 15ML	43 053	57 102	46 941	-18%	9%	20%	All
Sanitation in different wards	–	3 043	2 890	-4%		92%	All
Diamond Park Services 1,150 homes		3 215	3 215		0%		
Electricity							
Security of Plants and Assets	2 000	7 000	10 650	52%	532%	-100%	
Electrification Phomolong	3 500	3 500	4 137	-30%	118%	100%	20
Electrification Snake Park	1 500	2 000	5 316	-64%	354%	0%	20
Electrification Jacksonville	4 000	7 000	6 184	-51%	-14%	0%	2 & 3
High Mast Lighting	1 500	1 500	1 484	-1%	-1%	8%	All
Refuse removal							
Landfill Site (Capitalised from provision)	12 885	10 607	9 906	-7%	-23%	20%	13, 17
Roads							
Resealing of Roads	0	10 000	10 835	8%		100%	All
Economic development							
Township Establishment	2 000	2 000	321	-84%	-84%	0%	All
Planning and surveying plots to	2 000	2 250	261	-88%	-87%	0%	All

Capital Project per ward: 2015/2016							
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)	Physical Progress	Wards
	R' 000			%			
be sold							
Taxi Rank Indian Shopping Centre	2 500	–	–	–	-100%	0%	All
Establishment of Transport Links	2 500	–	-100%	100%			All
NDPG - Grant in Kind	100	–	–	-100%			28
Platfontein Access Roads	–	2 879	2 851	-1%	–	100%	28
Riverton Access Road		1 225	1 212	-1%	–	0%	
Lindane Roads	–	170	381	124%	–	100%	All
Refurbish Community Halls	–	264	306	0%	–	100%	All
Tommy Morebudi Sports Stadium		2 435	2 311	-5%	–	0%	All
Parks and Recreation							
New cemetery development access road	1 211	1 211	1 967	62%	62%	100%	All
Upgrade Swimming Pool	–	1 264	–	-100%		0%	25
Upgrade Monuments	–	10 000	1 846	-82%		0%	All
Loose equipment	3 000	3 000	3 000	0	0		
ICT							
Replacement Programme	4 500	4 500	3 767	-12%	-12%	0%	All
Other							
Fleet Replacement	4 000	7 556	6 709	-21%	49%		All
Emergency Services							
Satellite Fire Station	1 000	1 000	7	-11%	-100%	793%	1,2 3 4, 5, 6
Intangibles, Furniture and Equipment							
	–	–	7 667				
TOTAL	**111 709**	**201 018**	**174 542**	**-13%**	**56%**	**87%**	

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS– OVERVIEW

5.8.1 Introduction

The state of infrastructure in municipalities continues to deteriorate while the need for it intensifies due to increasing societal needs. Municipalities are unable to keep up with maintenance, operations and capital infrastructure and this is frustrating communities. Infrastructure resources services are under strain due to increasing demand. Municipalities have a mandate to execute government policy and provide services as to ensure an acceptable and reasonable quality of life as enshrined in the Constitution.

One of the municipal IDP objectives is that the municipality must concentrate on its core functions that is to improve efficiency of its service delivery to households who are in dire need of basic services.

In the past three financial years the main focus of the Municipality was to upgrade its bulk infrastructure capacity and provision of housing to complement basic service delivery needs. The bulk infrastructure priorities were meant to expedite human settlement programmes within the Municipality. The mentioned strategic programmes are currently on-going and there has been a significant progress to realise these municipal objectives. Progress on these has led to the upliftment of the moratorium on new developments.

The increase in informal areas is still a major challenge for the municipality. And the rate at which these settlements grow fast outpaces the funding availed to eradicate service backlogs. The current municipal backlogs as presented in the IDP are as follows:

Service Type	Backlog Census 2011	Current Backlogs
New Houses (Subsidised)	7,846	10,627
New Erven Planned and Surveyed	7,846	3,721
Houses connected to Water	8,743	8,166
Houses connected to Sanitation	9,343	8,166
Houses connected to Electricity	9,127	2,601
Houses provided with Waste Removal	9,490	8,166
Roads Rehabilitation		150 km
Residential Roads Paved		278 Km

5.8.2 Service Backlogs as at 30 June 2016

Households (HHs)[3]				
Description	*Service level above minimum standard		**Service level below minimum standard	
	No. HHs	% HHs	No. HHs	% HHs
Water	63,519		0	0
Sanitation	59,053	97,94%	3,065	4,94%
Electricity	57,696	95.70%	2,601	4,30%
Waste management	53,585	100,00%	9,200	0,00%
Housing	60,297	83.10%		
*% HHs are the service above/below minimum standard as a proportion of total households. 'Housing' refers to * formal and ** informal settlements.*				

Water provision figures include both informal and formal settlement with access to water within a distance of 200m.

Access to sanitation services includes VIP toilets.

Electricity provision is only for formal areas, and the indicated figure represents a backlog for informal settlements.

Housing provision backlog indicated above represent both formal and informal settlement

Implementation of BNG Housing Projects

The Municipality targeted to construct 409 households with BNG (Breaking New Grounds) houses in 2015/2016 financial year. COGHSTA through its Project Management unit (PMU) constructed 267 of the 409 houses in Promised Land. Therefore the total number of houses constructed for the financial year was 522 units.

The Municipality's Rental Stock

The Municipality has a rental stock of 936 units. The demand for these units is very high due to high demand for the Gap Housing Market. However, sustainability of CRUs maintenance is compromised due to high default in rental payment. In order to address this challenge, the

[3]Census 2011

municipality is currently exploring more effective methods of enhancing revenue collection strategies.

Facilitating the Implementation of the National Upgrading Support Programme

The programme was initiated by National Department of Human Settlements, and Sol Plaatje Municipality was identified to one of the participants in the programme. The mandate of the NUSP programme is to support Municipalities with formalisation and infrastructure upgrading of informal settlements in their municipal area. Out of twenty-nine informal settlements, eleven settlements totalling 4,813 sites, are currently being formalised, and these are:

- Snake Park .... 1,700 sites
- Ivory Park................. 1,174 sites
- Diamant Park .... 892 sites
- Kutlwanong .... 48 sites
- Colville .... 130 sites
- Santa Centre .... 139 sites
- Phomolong .... 269 sites
- Greenpoint .... 155 sites
- Waterloo...................... 230 sites
- Soul City .... 48 sites
- Beaconsfield.................. 28 sites

The NUSP has enabled the municipality to integrate human settlement interventions.

Roads and Storm Water Backlogs

There is currently no national policy defining basic level of service for roads serving households in residential areas. However, the Municipal Infrastructure Framework refers to “all weather access to within 500m of dwelling”

In the context of Sol Plaatje Municipality, all dwellings have access to roads although some may not meet the above standard. Most roads within the municipality can be classified as being between fair to poor, with very few being in a very poor state, in exception of those that were recently resealed, re-gravelled or paved in the past three years or so. Excessive brittleness and premature ageing are clearly visible due to extreme weather conditions and insufficient preventative maintenance over the years. However, paved roads in different township areas seem to be holding well over time, with very little maintenance demand.

5.8.3 MIG Expenditure 2015/2016 on Service Backlogs

An amount of R48 329 000 was allocated during the financial year as per DoRA. The following projects deliverables were achieved:

Project Name	Project Deliverables
Homevale WWTW Extension	This project involved the extension of Homevale WWTW capacity by an additional 15Mℓ/d which brings the total capacity of the plant to 48Mℓ/d. The extension of the WWTW is practically complete with minor additional work still in progress. Work also included the construction of a dewatering facility which was necessary due to the fact that while the sludge drying beds were refurbished, the high water levels resulted in their being inundated and overgrown. The Municipality intends dewatering the sludge by means of a volute press so that the product, in its dried form, is suitable for a number of uses and then to be able to decide on which use is most favourable for a specific time period without being tied to that use in perpetuity. The appointed engineers were instructed to proceed with the compilation of an Expression of Interest so that possible uses can be selected and this process has commenced. The Tender for the Mechanical Dewatering equipment was awarded in January 2015. The civil works associated with these dewatering facilities are being carried out as a Supplementary Agreement to the main civil contract and commenced on 1 July 2015 and anticipated to complete before December 2016.
Upgrade of Kimberley Landfill Site Facilities	The upgrade project for the landfill site facilities commenced in the previous financial year. During the year reporting on, a Contractor was successfully awarded the development of facilities at the landfill. The following work will be embarked on and anticipated to be completed by December 2016: • Construct new Clearvu security fencing;

<table>
<tr><th>Project Name</th><th>Project Deliverables</th></tr>
<tr><td></td><td>Access control: Construct new guardhouse, with boom and sliding gate;
New paved access and internal roads, including parking facilities;
2 x weighbridges including traffic signals, boom gates etc.;
Construct new ablution facility;
Construct new weigh bridge and administration building;
Security fenced recycling sorting facility, tyre storage facility;
Garden refuse area;
Bulk civil services including water supply, sanitation and storm water; and
Electrical supply.</td></tr>
<tr><td>Riverton New High Lift Pumps</td><td>The project involves the procurement of two new high-lift pumps to supply drinking water from the Riverton WTW to Kimberley. The proposed new pumps will supply 90% of the current water demand and will improve the reliability of potable water pumping.
At end of the financial year, pumps have been ordered and delivery is anticipated between Feb – March 2017 as such equipment is manufactured abroad.</td></tr>
<tr><td>Kimberley Street Lights (70)</td><td>The project involved installation of high-mast lights in various areas of the municipality. At end of financial year eight (8) high-masts had been successfully installed in the following areas:
Four in Promised Land,
One in Diamond Park,
Three in Ivory Park</td></tr>
<tr><td colspan="2">Though not a project the Project Management Unit (PMU) set-up is financed from MIG funding which includes equipment, personnel and other operational costs to make the unit functional.</td></tr>
</table>

Despite the actual projects outputs, the following outcomes benefited the community of Sol Plaatje municipality through the MIG programme:

- The refurbishment, upgrade and repairs of bulk infrastructure over the past financial years has unlocked development in city. Recently government and private business has invested through infrastructure development such as office blocks, high rise buildings, new private hospitals, the Sol Plaatje University etc. With such investments comes economic growth and job creation;
- Poverty alleviation through temporary jobs created on projects;
- Service delivery enhancement.

The following table contains MIG Expenditure on backlogs:

Description	Budget	Adjust. Budget	Actual	Budget	Adjust. Budget
		R'000		% Variance	
Infrastructure - Road transport					
Roads, Pavements & Bridges					
Storm water					
Infrastructure - Electricity					
Generation					
Transmission & Reticulation					
Street Lighting	1 500	1 500	1 484	-1.06%	-1.06%
Infrastructure – Water					
Dams & Reservoirs					
Water purification					
Reticulation	8 000	8 000	8 276	3.45%	3.45%
Infrastructure - Sanitation					
Reticulation					
Sewerage purification	24 012	24 012	19 766	-18%	-18%
Infrastructure - Other					
Waste Management	10 468	10 468	9 906	-5.37%	-5.37%
Transportation					
New Fire Station	1 000	1 000	7	-99.30%	99.30%
Other Specify					
Cemeteries	1 211	1 211	1 080	-10.82%	-10.82%
Operational Costs PMU	2 137	2 137	2 137	0.00%	0.00%
VAT claimed as own Revenue			5 673		
Total	**48 329**	**48 329**	**48 329**	**0.00%**	**0.00%**
There were no major conditions applied by donors.					

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

5.9 CASH FLOW OUTCOMES

The management of cash flow is one of the pivotal tasks of the finance department of the municipality. Adequate cash management enables effective decision making and the identification of early warning signs in terms of potential cash flow constraints. It is therefore imperative that cash flow trends be closely monitored and corrective action be taken timeously when required. Sol Plaatje Municipality invests in short term call investment and notice deposits, all with maturity dates of less than twelve months.

Cost Coverage Ratio	30 June 2014	30 June 2015	30 June 2016
Annual Expenditure (cash flow)	1 363 348 580	1 526 689 129	1 602 376 006
Average monthly expenditure	113 612 382	127 224 094	133 531 334
Cash and cash equivalents at year	305 199 110	275 457 274	259 275 698
Ratio	2.69	2.17	1.94

The table above reflects the cost coverage ratio of the municipality for the last three years.

Bar chart depicting Call Investment Deposits at year-end

Call investment deposits and Cash & cash equivalents at year-end



	Call investment deposits at year-end	Year-on-year R-Value Increase (Decrease) (Investments)	Year-on-year % Increase/(Decrease) (Investments)	Cash and cash equivalents at year-end	Year-on-year R-Value Increase/(Decrease) (Cash equivalents)	Year-on-year % Increase/(Decrease)(Cash equivalents)
30 June 2011	69971 011			60571 429		
30 June 2012	171915 120	101944 109	146%	160285 432	99714 003	165%
30 June 2013	336544 939	164629 819	96%	323965 041	163679 609	102%
30 June 2014	320591 355	(15953 584)	-5%	305199 110	(18765 931)	-6%
30 June 2015	257880 485	(62710 870)	-20%	275457 274	(29741 836)	-10%
30 June 2016	224915 838	(32964 647)	-13%	259275 698	(16181 576)	-6%

The cash flow outcomes at year end are presented in the table below:

Description	2014/2015	2015/2016		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from Operating Activities				
Receipts				
Property rates, penalties & collection charges	299 190	377 189	355 470	314 616
Service charges	729 327	904 447	853 813	821 181
Other revenue	137 627	67 523	63 299	60 199
Government – operating	168 281	166 787	170 638	164 215
Government – capital	113 756	64 276	120 213	111 728
Interest	94 242	26 000	99 000	122 393
Payments				
Suppliers and employees	(1 325 143)	(1 438 903)	(1 448 609)	(1 389 493)
Finance charges	(30 458	(29 790)	(29 690)	(29 018)
Transfers and Grants	(4 910)	(5 050)	(10 918)	(6 625)
Net Cash from (used) Operating Activities	181 911	132 479	173 217	169 185
Cash flow from Investing Activities				
Receipts				
Proceeds on disposal of PPE				
Decrease (Increase) in non-current debtors				
Decrease (increase) other non-current receivables				
Decrease (increase) in non-current investments				
Payments				
Capital assets	(197 907)	(111 709)	(201 018)	(174 542)
Net Cash from (used) Investing Activities	(197 907)	(111 709)	(201 018)	(174 542)

Description	2014/2015	2015/2016		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from Financing Activities				
Receipts				
Short term loans				
Borrowing long term/refinancing				
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	(13 747)	(10 878)	(10 878)	(10 824)
Net Cash from (used) Financing Activities	(13 747)	(10 878)	(10 878)	(10 824)
Net Increase/(Decrease) in Cash Held	(29 742)	9 892	(38 679)	(16 182)
Cash/cash equivalents at the year begin	305 199	214 492	275 457	275 457
Cash/cash equivalents at the year end	275 457	224 384	236 779	259 275
Source: MBRR A7				

Detail	30 June 2014	30 June 2015	30 June 2016
Cash and cash equivalents	320 606 825	275 457 274	259 275 698
Cash book overdraft	15 407 715	0	0

Comment on Cash Flow Outcomes

Although the municipality is still showing positive cash flow results, it is clear from the above tables and graphs that there has been a decreasing trend in the cash flow of the municipality over the past three financial years. Investments decreased by R62,711 million from 2014 to 2015 which constitutes a decrease of 20%. Investments further decreased by R32,965 million or 13% from 2015 to 2016. The same downward trend can be seen as indicated in the chart above in respect of the cash and cash equivalents year-on-year.

There are various factors contributing to this trend. The economic climate in the country, increasing indigent register, high unemployment figures and weak collection rate to name but a few. It is therefore extremely important that prudent cash flow management and cost containment measures be applied by the municipality to that ensure adequate cash resources are available to fund the municipality's future commitments.

5.10 BORROWING AND INVESTMENTS

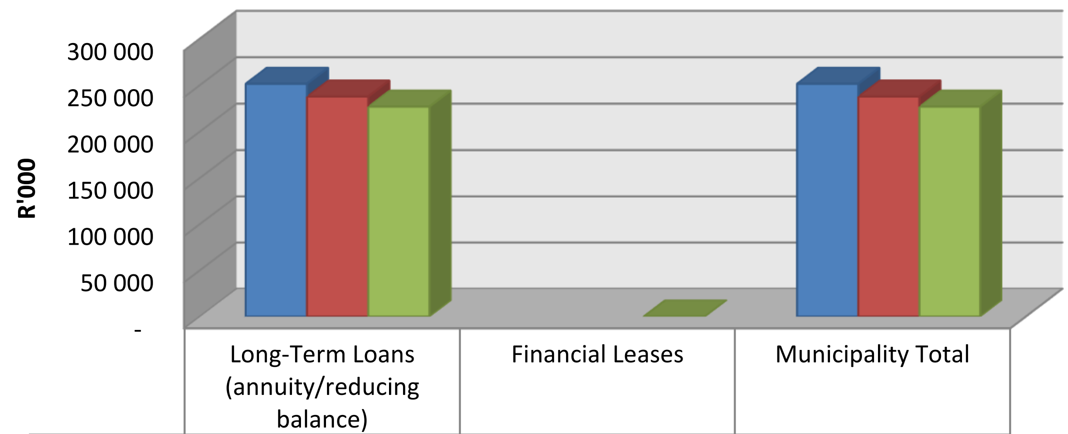
The municipality currently has long term borrowings at the Development Bank of South Africa (DBSA). The municipality applies a conservative approach to borrowing. No additional debt was incurred for the current year. The balance of these loans amount to R226.8 million as at 30 June 2016.

The table below reflects movement on the loan for the year reported on:

Description	Original Budget 2015/2016	Adjustment budget 2015/2016	Actual spent 30 June 2016
External borrowings	226 841 014	226 841 014	226 876 321

5.10.1 Actual borrowings: 2014/2015 to 2015/2016

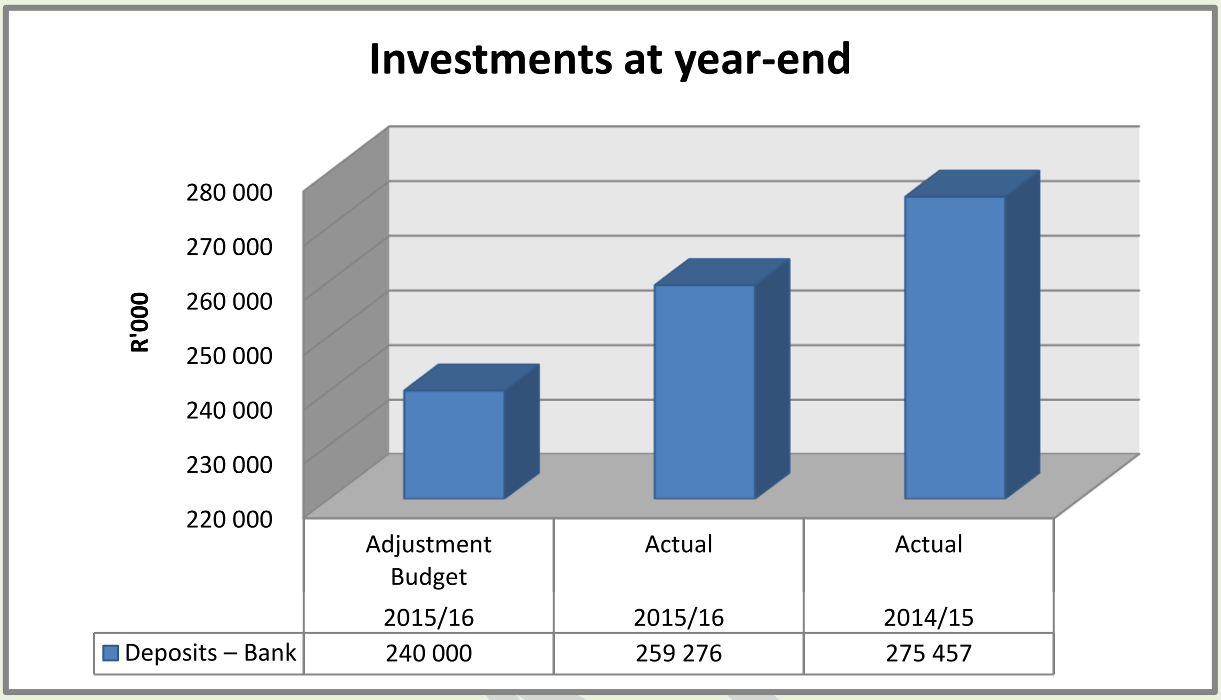
Instrument	2013/2014	2014/15	2015/16
	(R'000)		
Municipality			
Long-Term Loans (annuity/reducing balance)	251 447	237 700	226 876
Municipality Total	**251 447**	**237 700**	**226 876**



	Long-Term Loans (annuity/reducing balance)	Financial Leases	Municipality Total
2013/2014	251 447		251 447
2014/15	237 700		237 700
2015/16	226 876	-	226 876

5.10.2 Municipal Investments

Investment* type	2015/2016	2015/2016	2014/2015
	Adjustment Budget	Actual	Actual
	R'000		
Municipality			
Deposits – Bank	240 000	262 936	275 457
Municipality Total	**240 000**	**262 936**	**275 457**


Investments at year-end
R'000
280 000
270 000
260 000
250 000
240 000
230 000
220 000
Adjustment Budget 2015/16
Actual 2015/16
Actual 2014/15
Deposits – Bank
240 000
259 276
275 457

5.10.3 Comment on Borrowing and Investments

From the above tables and charts it can be seen that the cash and investment balance has declined over the past financial year. This due to a number of factors which are described in more detail elsewhere in this document. The external borrowing balance is gradually decreasing as interest and capital is redeemed. No additional loan agreements were entered into for the 2015/2016 financial year.

External Loans	Loan Number	Redeemable Date	Balance at 30/06/15	Received during the period	Redeemed written off during the period	Balance at 30/06/16	Carrying Value of Property, Plant & Equip
			(Rands)				(Rands)
Long Term Liabilities							
Annuity Loans							
DBSA Loan @ 10%	10112	30-06-2015	0	0	0	0	
DBSA Loan @ 12%	10113	30-06-2016	2 357 999	0	2 357 999	0	
DBSA Loan @ 12%	10616	30-06-2017	1 633 015	0	769 008	864 007	
DBSA Loan @ 10.91%	101452	31-12-2019	6 871 004	0	1 255 637	5 615 367	
DBSA Loan @ 12.61%	102855/1	31-12-2028	16 037 281	0	491 801	15 545 480	
DBSA Loan @ 13.12%	102855/2	31-12-2015	707 096	0	707 096	0	
DBSA Loan @ 6.75%	102855/3	31-12-2023	3 278 503	0	296 417	2 982 086	
DBSA Loan @ 6.75%	102855/4	31-12-2015	505 220	0	505 220	0	
DBSA Loan @ 12.445%	103958/2	30-06-2031	206 310 287	0	4 440 905	201 869 382	
Subtotal DBSA							
Total Annuity loans			**237 700 405**		**10 824 083**	**226 876 322**	
Total External Loans			**237 700 405**		**10 824 083**	**226 876 322**	

The repayment terms on all loans is two yearly instalments payable in June and December.

COMPONENT D: OTHER FINANCIAL MATTERS

5.11 SUPPLY CHAIN MANAGEMENT

The Municipality has a Supply Chain Management Policy in terms of Section 2(1) of the Supply Chain Management Regulations 2005. The policy is reviewed and adopted annually in terms of Section 3(b) of the same Regulation. The Treasury guidelines are used for the determining of standards and no deviations of the guidelines can be reported.

The Supply Chain Management Policy was reviewed and approved by Council at a Special Council meeting held on 24 February 2016. All amendments were implemented.

Five Supply Chain Management officials have reached the minimum required competency levels. Two officials required to do so are in the final stages of completion. More junior staff and supervisors are currently in training.

All Audit findings were resolved and action plans implemented.

5.12 GRAP COMPLIANCE

The municipality has adopted the Generally Recognised Accounting Practices (GRAP) as the accounting reporting framework. As such, the annual financial statements are prepared in accordance with the approved GRAP standards. Where there are no approved GRAP standards, principles of accounting in terms of International Accounting Standards (IASs) and International Public Sector Accounting Standards (IPSASs).

In preparing the financial statements for 2015/2016, the municipality complied with all the issued and approved accounting standards. The accrual basis of accounting informed the preparation of the financial statements and all amounts are disclosed in the South African Currency, the ZAR. The municipality is a going concern business and it is expected to continue to exist in the foreseeable future.

The municipality also limits its exposure to foreign currency by ensuring that all contracts are expressed in ZAR. However, there is a single transaction entered into USD with a three-year contractual obligation.

During 2015/2016, the Accounting Standards Boards (ASB) issued accounting standards which were not approved by the Minister of Finance, and hence they remained ineffective during the period of reporting.

Assets are disclosed at cost less accumulated depreciation, whilst inventory is carried at the lower of cost or net realisable value. The weighted average cost method is utilised for the valuation of inventory.

All financial instruments are recognised at amortised cost.

There are interpretation GRAP issued by ASB to give clarity and further information with regards to disclosure requirements such as i-GRAP1 and i-GRAP17. These are also taken into account in formulating policy and procedures for recognition and measurement.

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS 2014/2015

6.1 AUDITOR-GENERAL REPORT ON FINANCIAL PERFORMANCE 2014/2015 (PREVIOUS YEAR)

Audit report status	**Unqualified audit opinion**
Audit Findings	
Not applicable	
Emphasis of matters	
Irregular expenditure	Submitted to MPAC for investigation, written off by Council
Material Losses and impairments	Strategy to improve collection ratio, action plan to address distribution losses
Restatement of corresponding figures	Reduce prior year errors to avoid significant restatement of financials

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 2015/2016

6.2 AUDITOR-GENERAL OPINION 2015/2016

Audit report status	Unqualified Audit Opinion
Audit Findings	None
Emphasis of matter paragraphs	
Restatement of corresponding figures	
Material losses and impairments	
Irregular expenditure	

6.2.1 REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON SOL PLAATJE LOCAL MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1 I have audited the financial statements of the Sol Plaatje Local Municipality set out on pages X to X, which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2 The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3 My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes

evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5 I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6 In my opinion, the financial statements present fairly, in all material respects, the financial position of the Sol Plaatje Local Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7 I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

8 As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of an error discovered during 2016 in the financial statements of the municipality at, and for the year ended, 30 June 2015.

Material losses and impairments

9 As disclosed in note 4 to the financial statements, material losses to the amount of R21 154 765 (2015: R56 467 179) were incurred as a result of a write-off of irrecoverable trade debtors.

10 As disclosed in note 4 to the financial statements, material impairment to the amount of R780 894 044 (2015: R640 524 698) was provided for as a result of the impairment of trade debtors.

11 As disclosed in note 46.9 to the financial statements, material water losses to the amount of R37 478 402 and material electricity losses to the amount of R74 809 523 were incurred.

Irregular expenditure

12 As disclosed in note 45.3 to the financial statements, the municipality incurred irregular expenditure of R40 404 352 (2015: R210 916 140) during the year under review mainly

due to non-compliance with supply chain management (SCM) requirements.

Additional matters

13 I draw attention to the matters below. My opinion is not modified in respect of these matters.

Unaudited supplementary schedules

14 The supplementary information set out in appendix A to G does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Supplementary explanations of budget variances presented outside the financial statements

15 The supplementary explanations of budget variances contained in appendix E1 to E3, as referred to in note 54 do not form part of the financial statements. I have not audited these explanations and accordingly I do not express an opinion thereon.

Unaudited disclosure notes

16 In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly I do not express an opinion thereon.

Report on other legal and regulatory requirements

17 In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives of selected key performance areas presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

18 I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected key performance areas presented in the annual performance report of the municipality for the year ended

30 June 2016:

Key Performance Area 2: Basic and Sustainable Service Delivery and Infrastructure Development on pages x to x.

19 I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned key performance areas. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information* (FMPPI).

20 I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

21 I did not identify any material findings on the usefulness and reliability of the reported performance information for the following key performance areas:

Key Performance Area 2: Basic and Sustainable Service Delivery and Infrastructure Development on pages x to x.

Additional matters

22 I draw attention to the following matters:

Achievement of planned targets

23 Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year.

Adjustment of material misstatements

24 I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of KPA 2: Basic and Sustainable Service Delivery and Infrastructure Development. As management subsequently corrected the misstatements, I did not identify any material findings on the usefulness and reliability of the reported performance information.

Unaudited supplementary information

25 The supplementary information set out on pages x to x does not form part of the annual performance report and is presented as additional information. I have not audited these and, accordingly, I do not report on them.

Compliance with legislation

26 I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. My material findings on compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Procurement and contract management

27 Awards were made to providers who were in the service of other state institutions or whose directors/principal shareholders were in the service of other state institutions, in contravention of MFMA 112U) and SCM regulations 44. Similar awards were identified in the previous year and no effective steps were taken to prevent or combat the abuse of the SCM process in accordance with SCM regulation 38(1).

28 Persons in the service of the municipality who had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the Municipal Systems Act and the code of conduct for staff members issued in terms of the Municipal Systems Act.

29 Persons in service of the municipality whose close family members had a private or business interest in contracts awarded by the municipality failed to disclose such interest, in contravention of SCM regulation 46(2)(e), the code of conduct for councillors issued in terms of the Municipal Systems Act and the code of conduct for staff members issued in terms of the Municipal Systems Act.

Human resource management and compensation

30 The municipality did not develop and adopt appropriate systems and procedures to monitor, measure and evaluate performance of staff in contravention of section 67(d) of the Municipal Systems Act.

Expenditure management

31 Money owed by the municipality was not always paid within 30 days, as required by section 65(2)(e) of the MFMA.

32 Reasonable steps were not taken to prevent unauthorised, irregular and fruitless and wasteful expenditure, as required by section 62(1){d) of the MFMA.

Internal control

33 I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.

Leadership

34 The accounting officer did not exercise oversight responsibility over performance reporting, compliance with laws and regulations as well as internal control, as material non-compliance was reported relating to SCM, expenditure and HR management.

Financial and performance management

35 The annual performance report was subject to material corrections resulting from the audit and prior year's audit findings were not addressed in all instances. This was due to a lack of adequate review by the accounting officer to ensure completeness and accuracy prior to submission for auditing.

36 Management implemented the audit action plan, controls relating to performance information and compliance management were however not adequately addressed.



Kimberley

30 November 2016

A U D I T O R - G E N E R A L S O U T H A F R I C A

Auditing to build public confidence

6.3 MFMA SECTION 71 RESPONSIBILITIES

The municipality is non-delegated and as such submits the monthly reports to National Treasury in terms of Municipal Finance Management Act 56 of 2003, Section 71. These reports are at the same time submitted to the Executive Mayor, the monthly budget statement. The Municipal Public Accounts Committee are also provided with the report in terms of the Guidelines for the Establishment of MPACs.

The Section 71 reports are signed off by the Municipal Manager and submitted within ten working days after the end of each month to the relevant authorities as explained herein.

Signed: ....

ZL Mahloko
Chief Financial Officer

Dated: ....

6.4 AUDIT & RISK COMMITTEE’S REPORT FOR THE YEAR ENDED 30 JUNE 2016

OVERVIEW

The Audit Committee (AC) is a formal committee of the Council and its functions are as per section 166 of the Municipal Finance Management Act (Act No 56 of 2003).

We are pleased to present our report for the financial year ended 30 June 2016.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee consists of the members listed hereunder and meets as often as it deems necessary as per the approved terms of reference.

During the period under review, there were five meetings held on the following dates:

- 20 July 2015
- 26 August 2015
- 25 November 2015
- 2 March 2016
- 28 June 2016

Name of the Member	Position	Date of Appointment/renewal	Number of meetings attended
Thiru Mudaly	Chairperson	September 2014	4 out of 5
Latief Kimmie	AC member	September 2014	4 out of 5
Thembeka Semane	AC member	September 2014	5 out of 5
Peace Ntuli	AC member	September 2014	4 out of 5
Izak Bredenkamp	AC member	September 2014	1 out of 5

AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee has fulfilled its responsibilities as stipulated in the Municipal Finance Management Act read in conjunction with the Treasury Regulations. The Committee has adopted an appropriate formal charter, which regulates its affairs. It has also discharged its responsibilities in compliance with the approved Audit Charter.

THE EFFECTIVENESS OF INTERNAL CONTROL

In line with the MFMA and the latest King III Report on Corporate Governance requirements, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes.

From the various reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the management report of the Auditor-General South Africa, it was noted that matters were reported that indicated significant deficiencies or deviations in the system of internal control.

There were instances where matters reported by internal audit were not satisfactorily resolved.

Accordingly, we report that the system of internal control over financial reporting for the period under review, while showing an improvement since the last reporting period, requires enhancement.

GOVERNANCE

We acknowledge that the performance contract for the Accounting Officer and managers directly accountable to him were in place and an evaluation has been done at least twice during the year. The governance of the municipality has improved over time. The audit committee is of the opinion that there is still room for improvement in the governance and compliance with the monitoring of risk, managing the achievement of predetermined objectives and the implementation of improvement plans.

RISK MANAGEMENT

Risk management has been adopted by the municipality and on an annual basis risks are reviewed. The top twenty risks facing the municipality have been identified, and a dedicated officer has been appointed to monitor the implementation of mitigation controls thereof.

The following challenges remain to be addressed:

- Assistance should be obtained and care should be taken during the planning phases to ensure that there is alignment of strategy, budget, objectives and targets.
- That the reliability of reported information is improved.
- That the review of the performance management system and determining alignment is done quarterly.
- The implementation of performance management principles that will include corrective action for poor performance and reward exceptional performance
- An accounting process that will deal with the challenges posed by the billing methodology and still ensure compliance with the relevant accounting standards.

SUBMISSION OF IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORTS IN TERMS OF THE MUNICIPAL FINANCE MANAGEMENT ACT AND TREASURY REGULATIONS

The committee has been assured by management that the monthly/quarterly in-year management reports were compiled and submitted timeously as required in terms of legislation.

EVALUATION OF FINANCIAL STATEMENTS

We have:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General South Africa and the Accounting Officer
- Reviewed the Auditor-General South Africa's management report and management's response thereto
- Reviewed changes in accounting policies and practices
- Reviewed the municipality's compliance with legal and regulatory provisions
- Reviewed significant adjustments resulting from the audit.

We concur with and accept the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements read together with the report of the Auditor-General South Africa should be accepted.

INTERNAL AUDIT

We are satisfied that the internal audit function is operating efficiently and effectively and that it has addressed the risks pertinent to the municipality in its audits.

AUDITOR-GENERAL SOUTH AFRICA

We have met with the Auditor-General South Africa to ensure that there are no unresolved issues and report that there are none.

RECOMMENDATIONS MADE BY AUDIT COMMITTEE

- Robust performance management be further embedded into the organisational culture
- That consequence management be implemented
- Continuation of the committed and concerted effort by the leadership of Sol Plaatje to implement the recommendations of internal audit and the AGSA.

CONCLUSION

The Audit Committee has noted the matters and concerns raised by the Auditor-General and accept that there is still a significant improvement required in the accounting and internal control environment at the municipality.

The Audit Committee has also noted that the overall financial performance and governance of the municipality has improved and this is reflected in the achievement, once again, of an unqualified audit opinion.

This notwithstanding, it is recognised that much work still lies ahead, and the Committee will continue to monitor the various interventions aimed at ensuring that improved audits are achieved in the years ahead.

APPRECIATION

The committee expresses its sincere appreciation to the Honourable Executive Mayor, Accounting Officer, Executive management team, Internal Audit and the Auditor-General.

T Mudaly

Chairperson of the Audit Committee

6.5 MPAC OVERSIGHT REPORT

INSERT REPORT AND MINUTES ONCE RECEIVED

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give *"full and regular"* reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe *"what we do"*.
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor-General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.

Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	• Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are "what we wish to achieve".
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as "what we produce or deliver". An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunisation, or a service such as processing an application) that contributes to the achievement of a Key Result Area.
Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)

Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote	One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area. Section 1 of the MFMA defines a "vote" as: *a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and* *b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned*

APPENDICES

APPENDIX A: COUNCILLORS: COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time FT/PT	Committees Allocated	*Ward and/or Party Represented	% Council Meetings Attended	% Apologies for non-attendance
				%	
Bishop, Patrice Dipuo	PT	Member - Corp Serv & Human Resources (S80) Member - MPAC (S79) Member - General Appeals Committee	ANC	91.7	0
Boqo, Anna Nomvula	PT	Member: Finance; IDP, Budget & PM	ANC	83.3	100
Chinkuli, Dimakatso Susan	PT	Member - Safety & Security Member - Disciplinary	ANC Ward 9	75	66.7
Dawids, Romeo, Magaliso	PT	Member: Transport, Roads & SW; Utility Trading	ANC	33.3	25
Diraditsile, Monnapule Vincent	FT	Chairperson: Finance	ANC	66.7	0
Frans, Tier	PT	Member – Human Settlement; SPELUM	ANC	75	33.3
Hale, Emma Keseabetswe	PT	Member – Transport, Roads & Storm water Member - Utility Trading Services	ANC Ward 13	75	0
Jabetla, Anthony Kagisho	PT	Member - Community Services Member - InterGov, Inter Rel & Custom Serv	ANC Ward 19	58.3	40
Jacobs, Minah	PT	Member – Transport, Roads & Storm water	ANC	58.3	0.6

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time FT/PT	Committees Allocated	*Ward and/or Party Represented	% Council Meetings Attended	% Apologies for non-attendance
				%	
Johnson, Elisabeth	FT	Chairperson –Transport, Roads & Storm water	ANC	66.7	100
Khunkube, Faith Tshepisho	PT	Member - Inter-Gov, Inter Rel & Custom Serv Member - Econ Dev, Urban Renew & Tour	ANC	83.3	100
Koopman, George Terence	PT	Member – Finance Member – IDP, Budget & PM	ANC Ward 27	83.3	75
Lekoma, Maruping Daniel	FT	MMC, Chairperson: Utility Trading Services	ANC	83.3	50
Leven, Maria Magdalena	PT	Member – MPAC Member - Rules	ANC	16.6	83.3
Mathe, Eunice Mosele	FT	MMC, Chairperson – Corporate Services Member – Mun Advisory	ANC Ward 18	75	66.7
Matika, Octavious Mangaliso	FT	Speaker Member – Mun Advisory	ANC	75	100
Matsio, Fatiswa Felicity	FT	MMC, Chairperson – Community Services Member – Mun Advisory	ANC Ward 5	91.7	100
Modise, Angela Amina	PT	Member - Corp Serv & Human Resources Member - MPAC	ANC Ward 17	66.7	50
Molusi, Kagisho David	FT	Executive Mayor	ANC	78.5	100
Morudi, Gaorutwe Dorothy	PT	Member - Community Services Member - Econ Dev, Urban Renew & Tour	ANC	41.6	71.4
Morwe, Ronney Tsholohelo	PT	Member - Human Settlement	ANC Ward 7	66.7	50

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time FT/PT	Committees Allocated	*Ward and/or Party Represented	% Council Meetings Attended	% Apologies for non-attendance
				%	
Moseki, Obenne Revelation	PT	Member - Human Settlement Services Member - SPELUM	ANC Ward 26	50	16.7
Mothibi, Maria Kedibonye	PT	Member: - Inter-Gov, Inter Rel & Custom Serv Member – General Appeals	ANC Ward 6	91.7	100
Mpampi, Zwelendyebo John	PT	Member - Safety & Security Member - Disciplinary Committee Member – Mun Advisory	ANC Ward 15	66.7	25
Ndlazi, Solomon Pogisho	PT	Member – Utility Trading Services	ANC	66.7	50
Ngobeza, Winnifred Nongazi	FT	MMC; Chairperson – IDP, Budget & PM	ANC	66.7	100
Ngoma, Tshabalala Charles	PT	Chairperson – SPELUM	ANC Ward 8	75	33.3
Nhlapo, Moses Gopolang	FT	Chairperson – Intergovernmental & International Relations	ANC Ward 31	75	100
Ntlhangula, Agnes	FT	Chairperson – Safety & Security	ANC	50	100
Pienaar, Dennis	PT	Member - Disciplinary	ANC Ward 30	85.7	0
Selao, Otsile Gregory	PT	Member – Ward Participatory Member - Rules	ANC	58.3	0
Setlhabi, Ellen Keromamane	PT	Member – SPELUM Member – General Appeals	ANC Ward 4	75	0
Settley, Vaughan Victor	FT	MMC, Chairperson – Human Settlement Member – Mun Advisory	ANC Ward 1	66.7	75

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time FT/PT	Committees Allocated	*Ward and/or Party Represented	% Council Meetings Attended	% Apologies for non-attendance
				%	
Springbok, Benjamin	PT	Member -Community Services Member - Econ Dev, Urban Renew & Tour	ANC Ward 29	66.7	50
Steyn, Leonard	PT	Member – Ward Participatory	ANC Ward 22	16.7	0
Stout, Boitumelo Joel	PT	Member - Corp Serv & Human Resources	ANC Ward 16	66.7	50
Thabane, Mike Pula	FT	MMC, Chairperson – Economic Development, UR & Tourism	ANC Ward 11	66.7	50
Tong, Keamogetse Michael	PT	Member – Finance Member – IDP, Budget & PM	ANC Ward 12	75	33.3
Tsimakwane, Elisabeth	PT	Member – Ward Participatory Member - Rules	ANC Ward 10	100	
Vilakazi, Philip Madoda	PT	Chairperson: MPAC Member – Mun Advisory	ANC	75	66.7
Strauss, Petrus Andreas Stefanus	PT		ACDP	66.7	50
Ludick, Rosie Annie	PT		COPE	75	66.7
Mazabane, Joseph	PT	Member – Mun Advisory	COPE	83.3	50
Mthukwane, Keitumetse Gladys	PT		COPE	33.3	50
Patmore, Charles Trevor Patrick	PT		COPE	66.7	75
Wyngaard, F	PT		COPE	66.7	25

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time FT/PT	Committees Allocated	*Ward and/or Party Represented	% Council Meetings Attended	% Apologies for non-attendance
				%	
Askin, Lionel Allan	PT	Member - General Appeals; Member - Utility Trading Services	DA Ward 14	92.8	100
Bauser, Reunert Sidney	PT	Member - Rules Member - Mun Advisory	DA	0	100
Beylefeld, Maria Johanna	PT	Member - InterGov	DA	91.6	100
Doman, Willem Phillips	PT	Member - Corp Serv & Human Resources Member - Finance Member - SPELUM Member - Rules	DA Ward 23	91.6	100
Fourie, Ockert Cornelius	PT	Member - Corporate Services & HR Member - Transport, Roads & SW	DA Ward 25	75	100
Lewis, Clifford Benedict	PT	Member - General Appeals Member - Safety & Security	DA Ward 3	91.6	100
Liebenberg, Rienette	PT	Member - Community Services Member - Econ Dev, Urban Renew & Tour	DA	100	-
Louw, Petrus Johannes Francois	PT	Member - Human Settlement Member - SPELUM	DA Ward 21	41.6	85.7
Mogorosi, Selebatso Rebecca	PT	Member - Intergovernmental & International Relations;	DA	33.3	37.5
Mohapanele, Kgomotso Charity	PT	Member - Econ Dev, Urban Renew & Tour Member – Human Settlement	DA	75	66.7
Morris, Ronald Thomas	PT	Member - Finance Member - IDP, Budget & PM	DA	50	83.3

Councillors, Committees Allocated and Council Attendance					
Council Members	Full-time/ Part-time FT/PT	Committees Allocated	*Ward and/or Party Represented	% Council Meetings Attended	% Apologies for non-attendance
				%	
		Member - Inter-Gov, Inter Rel & Custom Serv Member - MPAC Member - Disciplinary Committee			
Pitt, Desmond Hugh	PT	Member: Community Services; Member - Disciplinary;	DA Ward 20	66.7	75
Rosen, Mohamed Shareef	PT	Member - Transport, Roads & SW; Member - Ward Participatory	DA Ward 2	75	66.7
Van der Merwe, Dirk Jacobus Petrus	PT	Member - Utility Trading Services Member - Ward Participatory	DA Ward 24	91.7	100
Visagie, Gerald Elvis	PT	Member - Safety & Security Member – Mun Advisory	DA Ward 28	58.3	100
Vorster, Philip Johan	PT	Member - IDP, Budget & PM Member - MPAC	DA	91.7	100
*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*					T A

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
Section 80 Committees	The terms of reference of these committees are policy formulation and implementation monitoring within the following functional areas:
Community Services	Sports, parks and recreation; library and information services; commonage; social development; primary health care services and municipal health care services.
Corporate Services & Human Resources	Communication; customer relationship management/service delivery; employment equity; information systems and technology; legal services; personnel service; strategic human resources; strategic support.
Economic Development, Urban Renewal & Tourism Committee	Economic development; local tourism; urban renewal; markets; street trading and informal trading schemes; advertising.
Finance	Revenue; treasury and accounting.
Human Settlement Services	New and existing settlements; housing finance, social housing; housing policy, research planning and monitoring.
IDP, Budget & Project Management	Development and review of IDP, budget and SDBIP
Inter-governmental & International Relations	Intergovernmental projects and programmes
Safety & Security	Emergency services; law enforcement; traffic management; motor registration and licensing services
Transport, Roads & Storm water	Transport planning; infrastructure planning, development and maintenance
Utility Services	Electricity infrastructure planning, development and maintenance; water and sanitation infrastructure planning, development and maintenance; solid waste infrastructure planning, development and maintenance.

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
Section 79 Committees	Proposed terms of reference for section 79 committees:
Disciplinary Committee	To investigate and make findings on any alleged breach of the Code of Conduct and to make appropriate recommendations to council. To investigate and make a finding on non-attendance of meetings and to impose a fine as determined by the Standard Rules of Order of council. In terms of section 59 of the Municipal Systems Act, council delegated the following powers, functions and duties to the committee: 1 To co-opt advisory members who are not members of council provided that such members may not vote on any matter. 2 To instruct any councillor(s) and request official(s)/or other affected parties to appear before the committee to give evidence. 3 To appoint a legal advisor to assist the committee including the obtaining of internal/external legal opinions. 4 To make written representations to the MEC for local government pertaining to an appeal to the MEC by a councillor(s) who has been warned, reprimanded or fined in terms of paragraph item 14(2)(a), (b) or (d) of the Code of Conduct for councillors. 5 In appropriate instances act in terms of section 14(2) impose a fine in respect of contraventions in item 4 of the Code of Conduct for councillors.
General Appeals Committee	Consider appeals from any person affected by the exercise of a delegated power by a structure or person to whom such power is delegated.
Municipal Public Accounts Committee (MPAC)	The terms of reference of these committee are to review the Auditor-General's Annual Report and also when instructed by council or on its own initiative, to investigate and advise council in respect of unauthorised, irregular or fruitless and wasteful expenditure in terms of section 32(2) of the MFMA.
Rules Committee	Rules of Order; attendance of meetings; delegation register.
Spatial Planning, Environment and Land Use Management Committee (SPELUM)	Spatial development framework (SDF); land use management scheme (LUMS); Land use applications; building plans; immovable property; environmental and heritage authorisations and development and appeals.
Ward Participatory Committee	To oversee the establishment and co-ordination of ward committees. To determine administrative arrangements to enable ward committees to execute duties and

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	**Purpose of Committee**
	exercise powers. To recommend to council in terms of dissolution of ward committees. To determine roles and responsibilities of ward committees. To facilitate enabling environment for ward committees to function optimally (training, stipends).
Other Committees of Council	
Audit	A committee of council typically charged with oversight of financial reporting and disclosure. Their responsibilities are to advise the municipal council, political office bearers, the accounting officer and the management staff of the municipality on matters relating to: internal financial control and internal audits; risk management; accounting policies; the adequacy, reliability and accuracy of financial reporting and information; review the annual financial statements to provide the council of the municipality with an authorative and credible view of the financial position of the municipality; respond to council on any issues raised by the Auditor-General in the audit report.
Performance Audit Committee	A committee of council typically charged with oversight responsibilities relating to the performance management and achievement of pre-determined objectives. Their responsibilities are to advise the municipal council, political office bearers, the accounting officer and the management staff of the municipality on matters relating to: internal financial control and internal audits; effective governance; the adequacy, reliability and accuracy of financial reporting and information; performance management; performance evaluation; respond to council on any issues raised by the Auditor-General in the audit report.
Section 57 Appointments Committee	In terms of section 54A of the LG: Municipal Systems Amendment Act, 2011 (Act No 7 of 2011) the section is aimed at regulating the appointment of municipal managers (MMs) and acting municipal managers and has introduced a new approach in terms of recruitment of MMs and section 56 managers. Municipalities must ensure that the Provincial Departments of Co-operative Governance, Treasury, SALGA and Development Bank of SA (DBSA) forms part of the shortlisting and interview panels for MMs and managers reporting to the MM.

APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	**Function Applicable to Municipality (Yes / No) ***	**Function Applicable to Entity Yes / No)**
Constitution Schedule 4, Part B functions:		
Air pollution	Yes	
Building regulations	Yes	
Child care facilities	Yes	
Electricity and gas reticulation	Yes	
Firefighting services	Yes	
Local tourism	Yes	
Municipal airports	No	
Municipal planning	Yes	
Municipal health services	Yes	
Municipal public transport	No	
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No	
Storm Water management systems in built-up areas	Yes	
Trading regulations	Yes	

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity Yes / No)
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes	
Constitution Schedule 5, Part B functions:		
Beaches and amusement facilities	No	
Billboards and the display of advertisements in public places	Yes	
Cemeteries, funeral parlours and crematoria	Yes	
Cleansing	Yes	
Control of public nuisances	Yes	
Control of undertakings that sell liquor to the public	No	
Facilities for the accommodation, care and burial of animals	Yes	
Fencing and fences	No	
Licensing of dogs	Yes	
Licensing and control of undertakings that sell food to the public	Yes	
Local amenities	Yes	
Local sport facilities	Yes	
Markets	Yes	
Municipal abattoirs	No	
Municipal parks and recreation	Yes	
Municipal roads	Yes	
Noise pollution	Yes	

Municipal / Entity Functions		
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No) *	Function Applicable to Entity Yes / No)
Pounds	Yes	
Public places	Yes	
Refuse removal, refuse dumps and solid waste disposal	Yes	
Street trading	Yes	
Street lighting	Yes	
Traffic and parking	Yes	
If municipality: indicate (yes or No); * If entity: Provide name of entity		T D

APPENDIX E –WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	**Name of Ward Councillor and elected Ward committee members**	**Committee established (Yes/No)**	**Number of monthly Committee meetings held during the year**	**Number of monthly reports submitted to Speakers Office on time**	**Number of quarterly public ward meetings held during year**
1	**Cllr V Settley** Ward Committee Members Daniels Ricardo Booysen William Riet Moses Matthews Collin Gabasioe Kagisho Van Heerden Sarah Le Fleur Sasun Louw Nicoleen Voster Moses Thubela Maureen	Yes			
2	**Cllr MS Rosen** Ward Committee Members Rygaardt Frans Van der Westhuizen Pasty Springkaan Mtambo Tjiposa Paulina Settley Elisabeth Buys Lena Visagie Stephen Pienaar Robbie	Yes			
3	**Cllr CB Lewis** Ward Committee Members Africa Fawzia Thomas Desiree Maqubu Cynthia Sebata Martha Geweer Reginald Griekwa N	Yes			

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Swartz V Krieger George Cassim Ingret Thole Kedibone				
4	**Cllr OG Selao** Ward Committee Members Sitase Mojalefa Thole Morapedi Sontlaba Patience Maile Meme Ntsetho Elisabeth Nelson Iris Nxumalo Edith Jakkals Kelebogile Mabusela Mpho	Yes			
5	**Cllr FF Matsio** Ward Committee Members Xesi Vuyo Seekoei Thabiso Nkadimeng Beau Ramona Thapelo Moletsane Gloria April Dennis Coetzee Johnny Senwedi Patrick Morotolo Elisabeth Mothibi Mpho	Yes			
6	**Cllr MK Mothibi** Ward Committee Members Skerpioen Maria Geweer Matilda Nyembe Kagisho Setlholo Deborah Mashodi Cynthia	Yes			

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Mokalo Mojalefa Phindela Judy Mathe Lesedi Babolaeng Kebogile Moshoeshoe Angelina				
7	**Cllr RT Morwe** Ward Committee Members Makabe Aubrey Chou Kgomotso Molife Paulina Diphae John Motsoatsoa Elisabeth Rosen Ronald Pharasi Tuelo Jantjies Thomas Makhurumenza Rebecca	Yes			
8	**Cllr TC Ngoma** Ward Committee Members Mokgoro Sheila Ramabina Maureen Mashodi Gwen Mothobi Sheila Seritshane Mapaseka Berry Pipe Rameriti Apathea Mdebuka Rachel Mogwera Reuben Mashilo Kereeditse	Yes			
9	**Cllr D Chinkuli** Ward Committee Members Modise Joseph Thapelo Itebogeng J G Mabija Felicity Letimela Maggie	Yes			

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Lenyora Betty Chinkulu Dimakatso Qhelo Patricia Swazi Dolly Tau Leroy Katleho William Joy				
10	**Cllr E Tsimakwane** Ward Committee Members Swartz Jackson Jood Exellent Senye Gadihele Busang Katlego Mpete John Mokae Maggie Thongela Grace Kalane Phomolo Diphokoje Anna Mosemogi Ben	Yes			
11	**Cllr MP Thabane** Ward Committee Members Nhlathi Tshebeletso Mtswenyane Veronica Seboka Rebecca Ledibane Thapelo Modise Dingaan Modingwane Tsholofelo Bahule Sanna Tawana Mpho Senyatso Ursula Kgadiete Jeanette	Yes			
12	**Cllr KM Tong** Ward Committee Members Dipheko Kenosi Gema Mantwa	Yes			

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Mokapile Dineo Dikgetsi Kelebogile Lester Lorraine Liphoko Lueia Cidraas Confidence Monyobo Justice Mazibuko Millicent Sithole Sandiseni				
13	**Cllr EK Hale** Ward Committee Members Van Wyk Juanita Kgatlane Babongile Ncwadi Thobeka Muller Daisy Sei Lesego Mfaswe Boniwe Macomo Nelson Mohothleng Gasetsewe Raganya Nooi Mguza Motlalepule	Yes			
14	**Cllr LA Askin** Ward Committee Members Swarts Michelle Peterson Claudette Africa Michael Van Wyk Mary Kock Mary Oliphant Lizel Rose Agnes Segrys Katriena Benjamin Lee-Ann Pailman Karen	Yes			
15	**Cllr ZJ Mpampi** Ward Committee Members	Yes			

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Buda Unondumiso James Eddie Jacobs Ncedo Rudolf Matlok Anna Faniswa Flora Obusitse Thabo Mocwagole Lettie Mokubung Reginah Modise Lindelwa Loff Mieta Sophia				
16	**Cllr BJ Stout** Ward Committee Members Molale Motsamai Nelson Marumagae Leon Fortunate Boqo Luthi Van Wyk Consolation Sennelo Jacquelette Leburu Phemelo Mampintsha Mziwamadoda Jasi Susan Badirwang Makatees Alfred Gasekgosi Edward Joy Kagisho	Yes			
17	**Cllr A Modise** Ward Committee Members Lesia Thomas Gaosekwe Letshego Motaung Lopang Mothibi Queen Chweu Tholang Phangwana Mamningi Abrahams Joyce Lesia Thomas Shadrack Mosikare	Yes			

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
18	**Cllr EM Mathe** Ward Committee Members Abrahams Jacobus Mhlanga Antoinette Mtshatsheni Vuyiswa Rosen Charles Booi Mercia Sereo Martha Oliphant Sheila Motaung Moroka Mabina Kabelo Tshaka Thembisile	Yes			
19	**Cllr AK Jabetla** Ward Committee Members Molusi Mapule Rwasoka Gilbert Tyala Mildred Louw Maria Gababuse Sarah Moloko Dimakatso Gopane Daphne Moroka Olga Paseka Sohlezi Robert Matroos Nimrod	Yes			
20	**Cllr DH Pitt** Ward Committee Members Aaron Dipuo Sithole Dilisile Kwanaco Keatlaretse Moipolai Nthabiseng Tshazibane Vuyiswa Masuaby Rachel Nyathi Keitumetse Mokgotsi Maruping	Yes			

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Nkosi Ogomoditswe				
21	**Cllr PJF Louw** Ward Committee Members Nkadimeng Aunette Bailey Jasmine Jackals Peter Plaatjies Rogaya Feilding Lorna Anthony Lawrence Latha Sbongile Isaacs Joseph Isaacs Ashley Wayne Haas Rachel	Yes			
22	**Cllr L Steyn** Ward Committee Members Wyngaard Godfrey Sesiane Michelle Jacobus Davids Van Wyk Curtis Monyobo Leon Taaibos Claudia Maleho Jean Van Wyk Cynthia Barry Anna Brink Dean	Yes			
23	**Cllr WP Doman** Ward Committee Members Pienaar Francis Hartzenberg Kay Gelderblom Johannes Hattingh Melinda Sturm Leonita De Kock Martha Matthe Johan	Yes			

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Blomerus Zacharias Jansen Jacobus				
24	**Cllr D van der Merwe** Ward Committee Members Van der Merwe T Dippenaar F Bessenger G Van der Berg J. Esterhuizen J Esterhuizen J Delport G Coetzee D	Yes			
25	**Cllr O Fourie** Ward Committee Members Scheepers Johann Magwadibane Sara Davis Mericia Jakomba Booi Ntsabo Zwelinzima Tsiloana Pakiso Meintjies Willy Gagela Thobezweni Kleinkies Danie Alexander William	Yes			
26	**Cllr OR Moseki** Ward Committee Members Polao Kevin Kene Elisabeth Nortje Emma Bahumi Kristien Van Eck Jemain Esau Gladys Ngwenza Frans Molatlhwe Loen	Yes			

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Hume-Seane Matshediso Graaff Magdeline				
27	**Cllr GT Koopman** Ward Committee Members Van Wyk Gideon Kock Petrus Diergaardt Charmaine Koopman Gert Malgas Hester Senge Susana Meyers Sybil Kruger Felicity Bitterbos Jacobs Kock Benjamin	Yes			
28	**Cllr GE Visagie** Ward Committee Members Molema Boikanyo Badenhorst Andrew Bartlett Dawn Doyle Sandra Jaffer Christine Pillay Mervin Mahomed Elize Koopman S T Peterson Clifton Seeco Daniel	Yes			
29	**Cllr B Springbok** Ward Committee Members Majosi Jeanette Swartzs Eustacia Bezuidenhout Rachel Jacobs Franciska White S Packies Annie	Yes			

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes/No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
	Kokobe Melanie Van Wyk Gadidja Damins Ivan Ferris Terence				
30	**Cllr D Pienaar** Ward Committee Members Selloane Alfred Leboa Mildred Sinhanque Piet Sebao Nicodemus Johnson Lucille Dolopi Ntombisandile Soois Chrissie Post Arthur Du Plooy Ronny Seele Tebogo	Yes			
31	**Cllr MG Nhlapo** Ward Committee Members Mahadika Tshepo Thakadu Ivan Pogisho Seribe Eric Sekgoro Wellemi Maeekiso Hessie Lephoi Chrisopher Moipolai Sidwell Mothibi Ben Mokgoro Gaisang Mojaki Kagisho	Yes			

APPENDIX F1: CAPITAL PROJECTS IN WARDS

Ward	Project Name and detail	Start Date	End Date	Total Value (R'000)
Water				
All	Zone metering To reconcile and balance water supply with water usage figures	01/07/2013	30/06/2016	35 000
	Replacement of water meters	01/07/2013	30/06/2016	10 000
	Water conservation and demand side management	01/07/2013	30/06/2016	15 000
16	Riverton high lift pumps	01/07/2013	30/06/2016	40 000
19	Ritchie Waste Water	01/07/2014	30/06/2017	55 000
All	Kimberley Bulk Water Line	01/07/2013	30/06/2016	30 000
Sanitation/Sewerage				
All	Homevale WWTW (Upgrade (15 ML) Upgrading the capacity of Homevale WWTW by 15ML	01/07/2010	30/06/2016	119 000
	Sanitation facilities in different wards	01/07/2013	30/06/2016	7 000
24	Carter's Glen sewerage	01/07/2014	30/06/2016	28 000
23	Diamant Park Services	01/07/2013	30/06/2016	50 000
28	Lerato Park Sewer	01/07/2013	30/06/2017	1 000
Electricity				
2, 3	Jacksonville Electrification	01/07/2014	30/06/2016	7 000
All	Security of Plant	01/07/2013	30/06/2016	15 000
29	Electrification of Snake Park	01/07/2013	30/06/2016	7 400
32	Electrification of Phomolong	01/07/2013	30/06/2016	6 000
All	Prepaid Meter Replacement Programme	01/07/2013	30/06/2018	3 000
All	Kimberley Street Lights and High Mast Lights	01/07/2013	30/06/2018	1 500
Housing – No projects implemented				

Ward	Project Name and detail	Start Date	End Date	Total Value (R'000)
Refuse Removal				
13, 17	Landfill Site (Capitalised from provision)	01/07/2013	30/06/2017	25 000
Roads and Storm Water				
All	New Cemetery Development Access Road	01/07/2013	30/06/2016	11 500
18	Galeshewe Transport Linkages Upgrade	01/07/2016	30/06/2017	7 200
23	Platfontein Access Road Paving Phase 1	01/07/2015	30/06/2017	5 500
25	Riverton Access Road Paving	01/07/2015	30/06/2017	3 000
All	Resealing of Roads	01/07/2013	30/06/2019	52 000
Economic Development				
All	Galeshewe Light Industrial Park	01/07/2014	30/06/2016	1 500
All	Township Establishment Studies (Ramorwa)	01/07/2014	30/06/2016	2 000
All	Planning and surveying plots to be sold	01/07/2014	30/06/2016	261
27	Promised Land planning and surveying	01/07/2014	30/06/2017	1 340
All	Artificial turf, King George Grounds	01/07/2013	30/06/2016	3 100
All	Phase 3, Artificial turf, King George Grounds	01/07/2013	30/06/2016	550
All	Upgrade Tommy Morebudi Stadium	01/07/2014	30/06/2016	1 500
18	Mayibuye Uprising Upgrade	01/07/2013	30/06/2016	200
All	Replace air conditioners in community halls	01/07/2015	30/06/2016	500
14	Taxi Rank Indian Shopping Centre	01/07/2015	30/06/2016	3 500
Sports, Art and Culture (No capex)				
ICT and other				
All	Replacement Programme, IT Hardware	01/07/2014	30/08/2016	15 000
Parks and Recreation				
All	Upgrade Monuments	01/07/2015	30/06/2020	80 000
32	Tommy Morebodi Sport Park Upgrade Phase 1	01/07/2014	30/06/2017	7 000

Ward	Project Name and detail	Start Date	End Date	Total Value (R'000)
Other				
All	Fleet Replacement Programme	01/07/2015	30/06/2016	25 000

APPENDIX F2 – BASIC SERVICE PROVISION

Basic Service Provision					
Detail	**Water**	**Sanitation**	**Electricity**	**Refuse**	**Housing**
Households with minimum service delivery	9,161	59,053	57,696	53,585	10,186
Households without minimum service delivery		3,065	2,601	9,200	

APPENDIX J – DISCLOSURE OF FINANCIAL INTERESTS

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June of 2016		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
(Executive) Mayor	Molusi, Kagisho David	Nil received
Member of Mayoral Committee		
Chairperson: IDP, Budget & Project Management Committee	Ngobeza, Winnifred Nongazi	Land & Property: RDP House extended - Phutanang
Chairperson: Safety & Security Committee	Ntlangula, Agnes	Shares – Sasol; Land & Property – Residence. Gifts from China: Solar Charger & Solar Flashlight from TNLZ, Zong Nan Pearl Necklace from the Deputy Mayor, Changde Municipality, Chinese Mug from Xiangtan, Embroidered Framed Picture from the Hunan Embroidery Factory, Executive Ballpoint pen from Broad, Dark Tea of Fame Superior Set from the Vice President of the Foreign & Overseas Chinese Affairs Office of the People's Government of Changde Municipality, Hunan Province.
Chairperson: Community Services Committee	Matsio, Fatiswa Felicity	Remunerated work outside the Municipality & pension: Van de Wall & Partners.

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June of 2016		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
		Land & Property: Erf 1844 Galeshewe.
Chairperson: Utility Trading Services Committee	Lekoma, Maruping Daniel	Shares & other Financial Interests: 100% Construction/Mining. Land & Property: Residence – Tshwaragano.
Chairperson: Finance Committee	Diraditsile, Monnapule Vincent	Remunerated work outside the Municipality & Pension income: SALA PF.
Chairperson: Transport, Roads & Storm water Committee	Johnson, Elizabeth	Directorships & Partnerships Santoma Inn (Tavern). Land & Property: Residence - 2 room in Pescodia.
Chairperson: Inter-Governmental & International Relations Committee	Nhlapo, Moses Gopolang	Nothing to disclose
Chairperson: Human Settlement Services Committee	Settley, Vaughan Victor	Nil received
Chairperson: Economic Development, Urban Renewal & Tourism Committee	Thabane, Mike Pula	Remunerations: Self-employed – construction. Land & Property: Residence in Vergenoeg.
Chairperson: Corporate Services & Human Resources Committee	Mathe, Eunice Mosele	Remuneration outside Municipality & Pension – Francis Baard Mun
Councillor		
	Askin, Lionel Allan	Land & Property: Residence in Square Hill Park
	Bauser, Reunert Sidney	Land & Property: Residence - Kimberley

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June of 2016		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
	Beylefeld, Maria Johanna	Remunerated work outside the Municipality & Pension income: Dept. Finance – Pension. Land & Property: Residence – South Ridge.
	Bishop, Patrice Dipuo	Nothing to disclose.
	Boqo, Anna Nomvula	Remunerated Work outside the Municipality & Pension: Education – General Cleaner.
	Chinkuli, Dimakatso Susan	Nil received
	Dawids, Romeo, Magalieso	Remuneration: SASSA. Land & Property: Residence
	Doman, Willem Phillips	Remuneration: Pension – Sanlam Glacier. Land & Property: Townhouse in Kimberley, Townhouse in Parrow, House is Still Bay, Erf in Still Bay, Erf in Kathu.
	Fourie, Ockert Cornelius	Shares – Roodeheuwel Sand (Bpk) Minerals.
	Frans, Tier	Consultancies & retainerships: IDF. Sponsorships & Grants: IDF
	Hale, Emma Keseabetswe	Shares & other financial interests: 50% Frances Baard Enterprise. Directorships & Partnerships: accommodation.
	Jabetla, Anthony Kagisho	Shares: Phutumani Share.

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June of 2016		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
		Land & Property: residence Galeshewe.
	Jacobs (Maphage), Minah	Directorships & Partnerships – Reatlegile Funeral Burial Scheme.
	Khunkube, Faith Tshepisho	Remuneration outside the Municipality & Pension: ANC Parliament. Land & Property: Property Boikhutsong.
	Koopman, George Terence	Nothing to disclose
	Leven, Maria Magdalena	Directorships & Partnerships – Linri SA (Pty) Ltd trading as Basadi Ke Maatla Realty Real Estate.
	Lewis, Clifford Benedict	Directorships & Partnerships: Taxi; Remunerated work outside the Municipality & Pensions: De Beers Pension Fund. Property: Homevale (R200 000.00)
	Liebenberg, Reinette	Directorships & Partnerships: Mein Heim Estate – Conference/Guest House (Dormant - No income)
	Louw, Petrus Johannes Francois	Directorships & Partnerships: PM Family Trust, Gentec, Wibec; Remunerations – Govt. Pension Fund, Gentec, Wibec, Avroy Shlein; Land & Property: Erf 245, Erf 237, PM Family Trust Nooitgedagcht, Rimcal Paint (½ share).

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June of 2016		
Position	Name	Description of Financial interests* (Nil / Or details)
	Ludick, Rosie Annie	Directorships & Partnerships: Women in Pride (no income). SAWIF (no income to date), Seed of Life Investment (no income to date).
	Matika, Octavious Mangaliso	Nil received
	Mazabane, Joseph Oupa	Nothing to disclose
	Modise, Angela Amina	Directorships & Partnerships: Borobabolo Diamonds Cutting; Nomthankosi Trading, Bathule Mining Co, Seed of Life Remunerated work outside municipality and Pension Income – Bathule Mining Co; Nomthankosi Trading, Borobabolo Diamonds Cutting, Seed of Life
	Mogorosi, Selebatso Rebecca	Remuneration: Dept. of Health
	Mohapanele, Kgomotso Charity	Nil received
	Morris, Ronald Thomas	Nil received
	Morudi, Gaorutwe Dorothy	Remuneration: Dept. of Education.
	Morwe, Ronney Tsholohelo	Land & Property: House Ubuntu Galeshewe.
	Moseki, Obenne Revelation	Directorships & Partnerships: OB & Mar Gen Dealer. Land & Property: Residence/Erven in Motswedimosa.
	Mothibi, Maria Kedibonye	Land & Property: Dwelling – Boikhutsong.

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June of 2016		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
	Mpampi, Zwelendyebo John	Remunerations: Dept. of Health, Seconded to Frances Baard Municipality.
	Mthukwane, Keitumetse Gladys	Shares & other Financial Interests: Seed of Life (pending); Women with Pride (pending).
	Ndlazi, Solomon Pogisho	Nothing to disclose
	Ngoma, Tshabalala Charles	Remunerations: NC Department of Education.
	Patmore, C T Patrick	Nil received
	Pienaar, Dennis	Shares: KDC/Transport. Directorships & Partnerships: KDC/Transport. Gifts from China: Solar Charger & Solar Flashlight from TNLZ, Zong Nan Pearl Necklace from the Deputy Mayor, Changde Municipality, Chinese Mug from Xiangtan, Embroidered Framed Picture from the Hunan Embroidery Factory, Executive Ballpoint pen from Broad, Dark Tea of Fame Superior Set from the Vice President of the Foreign & Overseas Chinese Affairs Office of the People's Government of Changde Municipality, Hunan Province.
	Pitt, Desmond Hugh	Nothing to disclose.
	Rosen, Mohamed Shareef	Shares & Financial Interests: Stanlib Money Market. Remunerated work outside the Municipality & Pension: Old Mutual.

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June of 2016		
Position	Name	Description of Financial interests* (Nil / Or details)
		Land & Property: 2 x Residences in Pescodia.
	Selao, Otsile Gregory	Nil received
	Setlhabi, Ellen Keromamane	Nothing to disclose
	Springbok, Benjamin	Nothing to disclose
	Steyn, Leonard	Nil received
	Stout, Boitumelo Joel	Shares: De Beers
	Strauss, Petrus Andreas Stefanus	Shares: Clue Chip. Directorships & Partnerships: 153 Koerant. Souls for Jesus. Remunerations: Souls for Jesus (no income). Consultancies & Retainerships: Tarrien Water. Tarrien Leer fabriek. Sponsorships & Grants: Souls for Jesus. Gifts & hospitality: Souls for Jesus Land & Property: Krokodilplaas Groblershoop. Huis – Bainskloof No 7 Kimberley.
	Tong, Keamogetse Michael	Remunerated work outside the Municipality & Pension income: Department of Health. Land & Property: Residence – Galeshewe.
	Tsimakwane, Elizabeth	Nothing to disclose

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June of 2016		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
	Van Der Merwe, Dirk Jacobus Petrus	Nothing to disclose
	Vilakazi, Philip Madoda	Nil received
	Visagie, Gerald Elvis	Land & Property – Residence.
	Visser, Maleho Dyco	Nil received
	Vorster, Philip Johan	Shares: Old Mutual. Remuneration: Frances Baard District Council. Land & Property: Residence - Roylpark 12.
	Wyngaard, Fred Amos	Land & Property: Residence in Monument Heights.
Municipal Manager	Akharwaray, G H	Shares: Kumba (Ordinary), Mittal (Ordinary), Ex Xaro (Ordinary); Directorships & Partnerships: GHA Properties, Gulshin Properties; Gifts & Hospitality: Pen, Folder, Memory Stick from Standard Bank, Fruit Basket from Towell Attorney; Land & Property: Residence in Kimberley, Residence in Vryburg (inherited ½ share), Residence in Kimberley (in CC), Residence in Kimberley (in CC ½ share)
Chief Financial Officer	Mahloko, Z L	Land & Property: Residence, Riviera. Gifts: 2 tickets from DBSA in the amount of R2 644 each for a soccer game
Deputy MM and (Executive) Directors	N/A	

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June of 2016		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
Executive Director: Corporate Services	Sebolecwe, Kooitse Ruth	Directorship & Partnerships: Clisa 22 CC (Commercial) Land & Property: Residence 1 – Kimberley, Residence 2 – Kimberley).
Executive Director: Community & Social Development Services	Bogacwi, Kgosiebonye Abraham	Nil received
Executive Director: Infrastructure & Services	Dhluwayo, Boy	Nothing to declare
Executive Director: Strategy, Economic Development & Planning	Tyabashe-Kesiamang, Nomonde	Shares: MTN (Public), Telkom (Public) JM & N Trading (CC member), Nqobile Planners & Development Specialists T/a N12 (CC member), Woesa (Public); Land & Property: Residence 1 (Kimberley), Residence 2 (Kimberley), Flat (50% ownership – East London). Christmas Gift voucher from Frances Baard SMME Trust – R500). Christmas Gift from BrandIQ – consumables. Afri-Devo Pty – Company belongs to brother-in-law
Other S57 Officials		
IDP Manager	Stols, Marius M	Directorships & Partnerships: Leopont 553 Properties (Pty) Ltd (no income);

Disclosure of Financial Interests		
Period 1 July 2015 to 30 June of 2016		
Position	**Name**	**Description of Financial interests* (Nil / Or details)**
		Land & Property: Erf 19369, Kimberley, Erf 6187 – Kathu.
Policy Manager	Setlogelo, Mathews Mosimangegape	Directorships & Partnerships: Season's Find 45 (inactive), Magogorwane Traders (inactive), Multishelf Contractors (inactive), Khudu & Nkwe Enterprises, SS Salty Energy. Land & Property: Residence – Kimberley.
Chief Internal Auditor	Molepo, Noxolo P	Directorships & Partnerships: Rebaummogo Bed & Breakfast; Land & Property: Residence.
PMU Manager	Jele, Gail	Shares: MTN (Asonke), Vodacom; Land & Property: Residence
Financial interests to be disclosed even if they incurred for only part of the year. See MBRR SA34A		***T J***

APPENDIX K - REVENUE COLLECTION PERFORMANCE BY VOTE AND BY SOURCE

APPENDIX K (I): REVENUE COLLECTION PERFORMANCE BY VOTE

Vote Description	2014/2015	Current: 2015/2016			2015/2016 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Executive and Council	72	0	-	-		
Municipal and General	370,848	282,294	375,586	394,931	40%	5%
Municipal Manager	1,544	1,703	1,703	-	-100%	-100%
Corporate Services	7,691	7,382	7,382	2,706	-63%	-63%
Community Services	33,951	40,381	93,805	86,400	114%	-8%
Financial Services	411,060	439,006	458,456	496,684	13%	8%
Strategy Economic Development and Planning	8,258	8,325	8,325	7,185	-14%	-14%
Infrastructure Services	905,109	1,034,406	969,576	961,695	-7%	-1%
Total Revenue by Vote	**1,738,534**	**1,813,497**	**1,914,834**	**1,949,602**	**8%**	2%

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Description	2014/2015	2015/2016			2015/2016 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjust. Budget
	R'000				%	
Property rates	398,921	423,808	443,808	484,397	14.3%	9.1%
Property rates - penalties & collection charges	-	-	-	-		
Service Charges - electricity revenue	561,178	651,586	651,594	645,804	-1%	-1%
Service Charges - water revenue	211,650	245,333	235,333	233,270	-5%	-1%
Service Charges - sanitation revenue	67,956	72,545	71,845	71,845	-1%	0.0%
Service Charges - refuse revenue	47,364	50,428	53,893	53,975	7%	0%
Service Charges – other	-	-	-	-		
Rentals of facilities and equipment	16,374	19,182	10,305	9,839	-49%	-5%
Interest earned - external investments	21,165	16,000	19,000	20,996	31%	11%
Interest earned - outstanding debtors	73,077	50,000	80,000	101,387	103%	27%
Dividends received	-	-	-	-		
Fines	19,352	10,419	15,879	17,407	67%	10%
Licences and permits	2,955	2,995	2,965	2,851	-5%	-4%
Agency services	5,038	5,800	5,800	6,182	7%	7%
Transfers recognised – operational	68,281	166,787	170,638	164,215	-2%	-4%
Other revenue	26,998	34,336	33,559	23,660	-31.1%	-29%
Gains on disposal of PPE	658	-	-	1,786		
Total Revenue (excluding capital transfers and contributions)	**1,620,965**	**1,749,221**	**1,794,620**	**1,837,613**	**5%**	**2%**

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Description	Budget	Adjust. Budget	Actual	Variance Budget	Variance Adjust. Budget
	R'000			%	
Department of Sports, Arts and Culture	-	10 000	1 846		-82%
CoGHSTA	0	1 264	0		-100%
Integrated National Electrification Programme	7 000	7 000	7 000	0%	0%
Department of Water Affairs	15 000	15 000	37 479	150%	150%
Galeshewe Urban Renewal Programme	-	6 024	6 846		14%
Frances Baard District Municipality	-	5 000	4 999		0%
Acip	5 000	5 000	4 503	-10%	-10%
Total	**22 000**	**49 288**	**62 673**	**185%**	**27%**
There were no major conditions applied by donors.					

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

APPENDIX M (I): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

Capital Expenditure - New Assets Programme*							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
	R'000						
Capital expenditure by Asset Class							
Infrastructure – Total	**69 484**	**20 460**	**61 032**	**39 549**	**28 619**	**62 705**	**43 391**
Infrastructure: Road transport - Total	**41 585**	–	–	–	11 619	16 060	–
Roads, Pavements & Bridges	41 585	–			11 619	16 060	–
Storm water		–					
Infrastructure: Electricity – Total	**8 824**	**9 000**	**17 500**	**20 215**	–	–	–
Generation	–	7 500	16 000	18 731			
Transmission & Reticulation	8 824						
Street Lighting	–	1 500	1 500	1 484	–	–	–
Infrastructure: Water - Total	**7 943**	**10 460**	**36 274**	**16 119**	**16 000**	**34 824**	**43 391**

Capital Expenditure - New Assets Programme*							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
	R'000						
Dams & Reservoirs	7 943	10 460	36 274	16 119	16 000	34 824	43 391
Water purification							
Reticulation							
Infrastructure: Sanitation - Total	**9 189**	**1 000**	**7 258**	**3 215**	1 000	11 821	–
Reticulation	9 189	1 000	7 258	3 215	1 000	11 821	–
Sewerage purification		–		–			
Infrastructure: Other - Total	**1 943**	–	–	–	–	–	–
Waste Management	1 943						
Transportation							
Gas							
Other							
Community – Total	**14 937**	**2 211**	**2 211**	**2 003**	**8 694**	**4 590**	**2 079**
Parks & gardens	–						
Sports fields & stadia	3 182	–		–		3 624	2 079
Swimming pools		–		–			
Community halls							

Capital Expenditure - New Assets Programme*							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
	R'000						
Libraries							
Recreational facilities	–						
Fire, safety & emergency	–	1 000	1 000	7	8 694	966	
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries	11 755	1 211	1 211	1 996			
Social rental housing							
Other							
Heritage assets – Total	–	–	–	–	–	–	–
Buildings							
Other							
Investment properties – Total	–	–	–	–	–	–	–
Housing development							
Other							

Capital Expenditure - New Assets Programme*							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
	R'000						
Other assets	**6 183**	**13 600**	**14 681**	**11 960**	**12 400**	**14 600**	**12 000**
General vehicles					4 000	4 000	4 000
Specialised vehicles					–	–	
Plant & equipment							
Computers - hardware/equipment	1 964	4 500	4 500	3 976	5 000	2 000	2 000
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	4 219	9 100	10 181	7 985	3 400	8 600	6 000
Agricultural assets	–				–	–	
List sub-class							
Biological assets	–				–	–	

Capital Expenditure - New Assets Programme*							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
	R'000						
List sub-class							
Intangibles	**3 535**	–	–	–	–	–	–
Computers - software & programming							
Other (list sub-class)	3 535						
Total Capital Expenditure on new assets	**94 139**	**36 271**	**77 924**	**53 512**	**49 713**	**81 895**	**57 470**

APPENDIX M (II): CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
	R'000						
Capital expenditure by Asset Class							
Infrastructure – Total	**92 653**	**68 438**	**98 509**	**99 755**	**66 392**	**43 680**	**29 354**
Infrastructure: Road transport –Total	**44 684**	–	**10 000**	**16 616**	**5 432**	**12 936**	**21 500**
Roads, Pavements & Bridges	44 684	–	10 000	16 616	5 432	12 936	21 500
Storm water							
Infrastructure: Electricity - Total	**7 289**	**6 500**	**6 500**	**6 517**	**12 900**	**10 489**	**4 854**
Generation							
Transmission & Reticulation	7 289	6 500	6 500	6 517	12 900	10 489	4 854
Street Lighting		–	–				
Infrastructure: Water - Total	**5 996**	**5 000**	**13 300**	**26 792**	**25 730**	**15 000**	**3 000**
Dams & Reservoirs					23 230	12 000	
Water purification	5 996	5 000	13 300	26 792	2 500	3 000	3 000
Reticulation					–	–	
Infrastructure: Sanitation - Total	**34 684**	**44 053**	**58 102**	**49 831**	**4 800**	–	–

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
	R'000						
Reticulation	34 684	44 053	58 102	49 831	4 800	–	–
Sewerage purification							
Infrastructure: Other - Total	**–**	**12 885**	**10 607**		**17 530**	**5 255**	**–**
Waste Management	–	12 885	10 607	9 906	17 530	5 255	–
Transportation							
Gas							
Other			–				
Community	**–**	**–**	**–**	**–**	**442**	**–**	
Parks & gardens							
Sports fields& stadia							
Swimming pools			1 264	–	1 400		
Community halls					200		
Libraries							
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
	R'000						
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other					442		
Heritage assets	–	–	–	–	–	–	–
Buildings							
Other							
Capital expenditure by Asset Class							
Investment properties	–	–	–	–	–	–	–
Housing development							
Other							
Other assets	**11 114**	**7 000**	**23 320**	**21 275**	**7 500**	**17 858**	**37 420**
General vehicles	9 393	4 000	7 556	5 953			
Specialised vehicles					–	–	
Plant & equipment							

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
	R'000						
Computers - hardware/equipment	919				–	–	
Furniture and other office equipment							
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings							
Other Land							
Surplus Assets - (Investment or Inventory)							
Other	802	3 000	15 764	15 322	7 500	17 858	37 420
Agricultural assets	–	–	–	–	–	–	–
List sub-class							
Biological assets	–	–	–	–	–	–	–
List sub-class							
Intangibles	–	–	–	–	–	–	–
Computers - software & programming					–		
Other (list sub-class)							

Capital Expenditure - Upgrade/Renewal Programme*							
Description	2014/2015	2015/2016			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	2016/2017	2017/2018	2018/2019
	R'000						
Total Capital Expenditure on renewal of existing assets	103 767	75 438	123 094	121 031	75 492	61 538	66 774
Specialised vehicles	–	–	–	–	–	–	–
Refuse							
Fire							
Conservancy							
Ambulances							
Total	197 906	111 709	201 018	174 543	125 205	143 433	124 244

APPENDIX N – CAPITAL PROGRAMME BY PROJECT 2015/2016

Capital Programme by Project: Year 2015/2016					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
Water					
Water Zone Metering	3 000	9 000	8 817	-2%	194%
Ritchie Bulk Water	6 460	8 000	5 408	-32%	-16%
Services Diamond Park	–	3 215	3 215	0%	
Replacement of Water Meters	4 000	4 000	2 524	-37%	-37%
Riverton Replacement of High Lift Pumps	1 000	14 274	12 902	-10%	1190%
Kimberley Bulk Water Line	–	11 982	11 882	-1%	
Lerato Park - Water	1 000	1 000	–	-100%	-100%
Homevale Laboratory	–	500	496	-1%	
Replacement of Pump Building at Riverton	–	2 000	1	-100%	
Kagisho Dam	–	2 000	1 889	-6%	
Sanitation/Sewerage					
Homevale WWTW Extension 15ML	43 053	56 640	48 297	-15%	12%
Ward Projects Sanitation	–	3 002	2 980	-1%	
Carters Glen Sewerage	1 000	1 000	–	-100%	-100%
Lerato Park - Sewer	1 000	1 000	–	-100%	-100%
Electricity					
Replacement of pre-paid meters	3 000	3 000	1 368	-54%	-54%
Security of Plants and Assets	2 000	7 000	10 650	52%	432%
Electrification Jacksonville	4 000	7 000	3 460	-51%	-13%
Electrification Phomolong	3 500	3 000	3 167	6%	-10%
Electrification Snake Park	2 500	2 500	2 861	14%	14%

Capital Programme by Project: Year 2015/2016					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
High Mast Street Lights	1 500	1 500	1 484	-1%	-1%
Capitalised from Repairs & Maintenance		–	854		
Refuse removal					
Landfill Site	12 885	10 607	9 906	-7%	-23%
Roads					
Resealing of Roads	0	10 000	10 835	8%	
Economic development					
Town Establishment Phomolong	2 000	2 250	2 059	-8%	3%
Township Establishment - Erven to be sold	2 000	2 000	321	-84%	-84%
Taxi Rank Indian Centre	2 500	–	–		-100%
Establishment of Transport Links	2 500	–	–		-100%
NDPG Grant in Kind	100	–	0		-100%
Platfontein Access Roads	–	2 879	2 851	-1%	
Riverton Access Road	–	1 225	1 212	-1%	
Lindane Roads	–	170	381	125%	
Refurbish Community Halls	–	307	306	0%	
Tommy Morebudi Sports Park	–	2 435	2 311	-5%	
Parks and Recreation					
Swimming Pool	0	1 264	0	-100%	
New cemetery development access road	1 210	1 210	1 967	63%	63%
Environment – No projects					
Health – No Projects					
Emergency Services					
Satellite Fire Station	1 000	1 000	7	-100%	-99%

Capital Programme by Project: Year 2015/2016					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj)	Variance (Act - OB)
	R'000			%	
ICT					
Replacement Programme: It Hardware	4 500	4 500	3 976	-12%	-12%
Corporate Services – No projects					
Other					
Fleet Replacement Programme	4 000	7 556	6 710	-11%	68%
Capitalisation of R&M					
Nelson Mandela Monument	–	10 000	1 846		
From Operational			3 776		
Loose Equipment	3 000	3 000			
Intangibles			3 830		
TOTAL	**111 709**	**201 018**	**174 542**	**-13%**	**56%**

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD 2015/2016

Capital Project	Ward(s) affected	Works completed (Yes/No)
Water		
Water Zone Metering	All	Yes
Replacement of water meters	All	Yes
Kimberley Bulk Water Line	All	Yes
Riverton high lift pumps	16	Yes
Ritchie Bulk Water Line	39	Yes
Homevale Laboratory	3	No
Kagisho Retention Dam	24	Yes
Sanitation/Sewerage		
Homevale WWTW Extension 15ML	All	No
Diamant Park Services	All	No
Sanitation facilities in different wards	All	No
Electricity		
Security of Plants and Assets	All	No
Electrification Phomolong	20	Yes
Electrification Snake Park	20	No
Electrification Jacksonville	2, 3	Yes
High Mast Lighting	All	No
Housing (No projects implemented)		

Capital Project	Ward(s) affected	Works completed (Yes/No)
Refuse removal		
Landfill Site (Capitalised from provision)	13, 17	No
Roads and Storm Water		
Resealing of Roads	All	Yes
Economic development		
Township Establishment	All	No
Planning and Surveying of Plots to be sold	All	No
Taxi Rank Indian Shopping Centre	All	No
Establishment of Transport Links	All	Yes
NDPG – Grant in Kind	28	No
Platfontein Access Road	28	Yes
Riverton Access Road		Yes
Lindane Roads	All	Yes
Refurbish Community Halls	All	Yes
Tommy Morebudi Sports Stadium	All	Yes
Sports, Art and Culture (Projects included in Economic Development)		
Environment and Health – No projects implemented		
Emergency Services		
Satellite Fire Station	1, 2, 3, 4, 5, 6	No
Safety and security – No projects implemented		
ICT and Other		
Replacement Programme	All	Yes

Capital Project	Ward(s) affected	Works completed (Yes/No)
Parks and Recreation		
New cemetery development access road	All	Yes
Upgrade swimming pool	25	No
Upgrade monuments	All	No
Loose equipment	All	Yes
Other		
Fleet Replacement	All	Yes

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

Establishments lacking basic services	Water	Sanitation	Electricity	Solid Waste Collection
Schools and Clinics				
All schools and clinics are connected to basic municipal services				
Names and locations of schools and clinics lacking one or more services. Use 'x' to mark lack of service at appropriate level for the number of people attending the school/clinic, allowing for the proper functioning of the establishment concerned.				

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

Services and Locations	Scale of Backlogs	Impact of Backlogs
Clinics: All clinics are connected to basic municipal services		
Housing (Informal Settlements)		
Water	9,161	No services
Electricity	2,601	No services
Sanitation	3,065	No services
Licensing and Testing Centre: Connected to all services		
Reservoirs: Connected to all services		
Schools (Primary and High): Connected to all services		
Sports Fields: Connected to drinking water and some to grey water		

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

All Organisations or Persons in receipt of Loans*/Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value 2015/2016	Total Amount committed over previous and future years (From 2014/2015 to 2018/2019)
			(Rand)	
SPCA	Stray animal pound	Impounding of stray animals	1 700 000	7 500 000
Donation Keep Kimberley Clean	Educational	Outreach programmes to schools and communities	160 000	850 000
Sol Plaatje Educational Trust	Upkeep of Sol Plaatje Museum	Upkeep	210 000	1 100 000
Gariep Festival	Arts and culture	Annual event	1 300 000	7 100 000
Diamonds and Dorings	Arts and culture	Annual event	2 124 035	8 184 100
Other	On merit	Based on application	1 131 196	5 981 200
Total			6 625 230	30 715 300
** Loans/Grants - whether in cash or in kind*				

ABBREVIATIONS AND ACRONYMS

AARTO...............Administrative Adjudication of Road Traffic Offences

ACIP...................Accelerated Community Infrastructure Programme

AGSA ....Auditor-General South Africa

BBBEE ....Broad-based Black Economic Empowerment

BNG ....Breaking New Ground

BTO....................Budget and Treasury Office

CBD ....Central Business District

CBPWP ....Community-based Public Works Programme

CFO ....Chief Financial Officer

CIDB ....Construction Industry Development Board

CIPC ....Companies and Intellectual Property Commission

CIPRO................Companies for Intellectual Property Registration Office (now CIPC)

COGHSTA ....Department of Co-operative Governance, Human Settlement and Traditional Affairs

CPA....................Communal Property Association

CRU ....Community Residential Units Programme

DAFF..................Department of Agriculture, Forestry and Fisheries

DBCM ....De Beers Consolidated Mines

DBSA ....Development Bank of South Africa

DCOG ....Department of Co-operative Governance

DEA....................Department of Environmental Affairs

DLTC..................Driving Licence Testing Centre

DoRA ....Division of Revenue Act

DPLG ....Department of Provincial and Local Government

DPSA ....Department of Public Service and Administration

DSP....................Droogfontein Solar Project

DTI ....Department of Trade and Industry

DWA...................Department of Water Affairs

ED......................Executive Director

EDD ....Economic Development Department

EE ....Energy Efficiency

EEDG ……………Energy Efficiency and Demand Side Management Grant

EHP....................Environmental Health Practitioner

EM ....Executive Mayor

EMT ....Executive Management Team

eNatis.................Electronic national administration traffic information system

EPWP ....Expanded Public Works Programme

ERM...................Enterprise Risk Management

EUL....................Economic Useful Life

FABCOS ....Foundation for African Business and Consumer Services

FLISP.................Finance Linked Individual Subsidy Programme

FMPPI................Framework for Managing Programme Performance Information

FPM ....Fresh Produce Market

FT/PT.................Full-time/Part-time

FTE ....Full-time Equivalent to Jobs

GIS.....................Geographic Information Systems

GLIP...................Galeshewe Light Industrial Park

GRAP.................Generally Recognised Accounting Practices

GURP.................Galeshewe Urban Renewal Programme

HDA ....Housing Development Agency

HDSA ....Historically Disadvantaged South African

HRA ....Human Resource Administration

HRD ....Human Resource Department

HRM...................Human Resource Management Plan

ICDM ....Integrated Chronic Disease Management

ICT ....Information and Communication Technology

IDP ....Integrated Development Plan

IEC ....Integrated Energy Centre

IEMP ....Integrated Environmental Management Plan

IGR.....................Inter-governmental relations

IHSP...................Integrated Human Settlement Plan

INEP...................Integrated National Electrification Programme

INRDP................Integrated Residential Development Programme

IOD.....................Injuries on duty

IP ....Implementation Protocol

IPAP...................Industrial Policy Action Plan

IRDP ....Integrated Residential Development Programme

ISDG ....Infrastructure Skills Development Grant

IT........................Information Technology

KPA....................Key Performance Area

KPI ....Key Performance Indicator

LED ....Local Economic Development

LGSETA.............Local Government Sector Education Training Authority

LGTAS ....Local Government Turnaround Strategy

LLF.....................Local Labour Forum

LUMS ....Land Use Management Scheme

MAT ....Municipal Appeal Tribunal

MBD ....Municipal Bid Document

MBRR ....Municipal Budget and Reporting Regulations

MFMA ....Municipal Finance Management Act

MFP ....Multi-Function Printer

MHS ....Municipal Health Services

MIG ....Municipal Infrastructure Grant

MIIF....................Municipal Infrastructure Investment Framework

MIS.....................Management Information System

MM ....Municipal Manager

MoA....................Memorandum of Agreement

MoU ....Memorandum of Understanding

MPAC.................Municipal Public Accounts Committee

MPT ....Municipal Planning Tribunal

MPRDA ....Mineral and Petroleum Resources Development Act

MSA ....Municipal Systems Act

mSCOA.............Municipal Standard Chart of Accounts

MSIG..................Municipal Systems Improvement Grant

MTREF..............Medium Term Revenue and Expenditure Framework

NBRBSA ....National Building Regulations and Building Standards Act (Act No. 103 of 1977)

NDP ....National Development Plan

NDPG................Neighbourhood Development Partnership Grant

NERSA..............National Energy Regulator of South Africa

NGP ....New Growth Plan

NRW ....Non-revenue water

NT ....National Treasury

NPC ....Non-profit Company

NRCS................National Regulator for Compulsory Specification

NUSP ....National Upgrade Support Programme

O&M..................Operations and Maintenance

PAJA ....Promotion of Adminstrative Justice Act, (Act 3 of 2000)

PCC ....President's Co-ordinating Council

PDI ....Previously Disadvantaged Individual

PDP...................Provincial Development Plan

PHC ....Primary Health Care

PIG....................Provincial Infrastructure Grant

PMS ....Performance Management System

PPA....................Private Partnership Agreement

PPE....................Property, Plant and Equipment

PPPF..................Preferential Procurement Policy Framework

PrDP ....Professional Driving Permit

PV ....Photovoltaic

R&M...................Repairs and Maintenance

RUL....................Residual Useful Life

SALBC ....South African Local Bargaining Council

SALGBC ....South African Local Government Bargaining Council

SAN....................Storage Area Network

SANS ....South African National Standard

SAPS ....South African Police Services

SCM...................Supply Chain Management

SCOA.................Standard Charts of Account Plan

SDA....................Swiss Agency for Development and Co-operation

SDBIP ....Service Delivery and Budget Implementation Plan

SDF....................Spatial Development Framework

SECCU ....Sustainable Energy and Climate Change Unit

SEDA ....Small Enterprise Development Agency

SEDP ....Strategic Economic Development and Planning

SEZ....................Special Economic Zones

SG......................Surveyor General

SIP ....Strategic Integrated Project

SLA ....Service Level Agreement

SMME ....Small, Medium and Micro Enterprises

SoER..................State of Energy Report

SPECCS ....Sol Plaatje Energy and Climate Change Strategy

SPELUM ....Spatial Planning, Environment and Land Use Management Committee

SPLUMA ....Spatial Planning and Land Use Management Act

SPM ....Sol Plaatje Municipality

SPU....................Sol Plaatje University

TOD ....Transit Orientated Development

ToU ....Time of Use

UISP...................Upgrading Informal Settlements Programme

UNS ....Urban Network Strategy

URP ....Urban Renewal Programme

YTD....................Year-to-date

WESSA ....Wildlife and Environment Society of South Africa

WSA...................Water Services Act

WSDP ....Water Services Development Plan

WSP...................Water Services Provider

XMDR ....Extensively Drug Resistant Tubercolosis